



5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P. O. BOX 24067 • SEATTLE, WA 98124-0067
WA CONTRACTOR'S LICENSE #MANSOCC032M1 • FAX (206) 764-8595

LONSF
12.3.1481
12/10/1993

Re: Response to Supplemental Request for Information Pursuant to Section 104(e) of CERCLA, for the
Lower Duwamish Waterway Superfund Site, Seattle, Washington

Respondent: Representative of Manson Construction Co.

Site: Lower Duwamish Waterway, Seattle WA

Manson Construction Co.

601 S Myrtle Street

1620 S 92nd Place

Seattle, WA 98108

King County Parcels: 2136200706 and 2924049089

Date: First involvement at the Site to present

Exhibit C

Information About Others

USEPA SF



1376793

Return to Office

LEASE AGREEMENT

THIS LEASE, made on October 24, 1988, between Othello Street Warehouse Corporation, a Washington corporation ("Landlord") and Manson Construction & Engineering Co., a Washington corporation ("Tenant"). Landlord and Tenant agree as follows.

Recitals.

A. Landlord is acquiring the improved real property, including the crane, located in Seattle, King County, Washington, which is described in Exhibit A ("Premises").

B. Landlord is willing to lease the Premises to Tenant and Tenant is willing to lease the Premises from Landlord pursuant to the terms of this Lease.

1. Lease.

Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Lease, AS-IS.

2. Term and Extensions.

2.1 This Lease shall be for a term of ten (10) years, commencing on the 1st day of November, 1988, and expiring at 11:59 P.M. on October 31, 1998 ("Initial Lease Term"). Tenant shall also occupy the Premises from the date of this Lease until the Commencement date for a daily rental of \$1,344.10.

2.2 "Lease Year" shall mean a period of twelve (12) calendar months, commencing on the first day of November and ending on the last day of October at 11:59 P.M.

2.3 Tenant shall have two options to extend the Initial Lease Term, each for a period of five (5) Lease Years. In each case, if Tenant exercises an option to extend, Tenant shall provide written notice of extension to Landlord prior to the commencement of the then last Lease Year of the Initial Lease Term or extended Initial Lease Term. Any and all of Tenant's options to extend shall automatically terminate if not exercised in strict accordance with the terms of this Paragraph or if Tenant is in default pursuant to this Lease and fails to cure the default within any permitted cure period. Tenant's second option

to extend shall automatically terminate if Tenant fails to exercise its first option to extend.

2.4 "Lease Term" shall mean the Initial Lease Term as the same may be extended by Tenant pursuant to Paragraph 2.3.

3. Monthly Rent, Late Charges and Interest.

3.1 From the commencement date of this Lease ("Commencement Date") until the end of the second Lease Year, Tenant shall pay Landlord a fixed monthly rent of Forty-One Thousand Six Hundred Sixty-Seven Dollars (\$41,667).

3.2 The fixed monthly rent payable during the previous two calendar years shall be increased on the first day of the third Lease Year, the fifth Lease Year, the seventh Lease Year and the ninth Lease Year, (and if Tenant further extends the Initial Lease Term every two Lease Years thereafter), by the percentage increase in the Consumer Price Index during the previous two (2) calendar years. Irrespective of the actual change in the Consumer Price Index, each increase in the monthly rent shall be no less than four percent (4%) for any calendar year and no more than eight percent (8%) for any calendar year, compounded annually. "Consumer Price Index" shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, All Items for All Urban Consumers, 1967 = 100, for the Seattle-Tacoma Metropolitan Area. If publication of the Consumer Price Index is discontinued or the Consumer Price Index is no longer published at the end of each calendar year, the parties shall make such adjustments as may be reasonably required to effectuate the intention of the parties or accept comparable statistics on the cost of living as computed and published by an agency of the United States or by a responsible financial periodical of recognized authority mutually agreed to by the parties. If the parties do not agree upon such adjustments or the selection of a substitute index on or before the tenth (10th) business day after demand by either party, the adjustment or substitute index shall, on application of either party, be made by the chief officer of the Seattle office of the Bureau of Labor Statistics or its successor. If the chief officer fails to make the adjustment or selection within thirty (30) days of the application of either party, the adjustment or selection shall be made in arbitration in accordance with the then prevailing rules of the American Arbitration Association.

3.4 All fixed monthly rent shall be paid by Tenant in advance on or before the first day of each calendar month without setoff or deduction of any kind whatsoever.

3.5 If Tenant fails to make payment of any fixed monthly rent on or before the fifth (5th) day of the month in which it is due, in addition to the delinquent rent Tenant shall pay Landlord a late fee equal to five percent (5%) of the delinquent rent to compensate Landlord for damages suffered by Landlord and the extra administrative expense incurred by Landlord in collecting the delinquent rent. The late charge shall be in addition to, and not in lieu of, any other right or remedy of Landlord.

3.6 If Tenant fails to make timely payment of any amounts due to third parties from Tenant in accordance with the terms of this Lease, Landlord shall have the right (but not the obligation) to make such payments to third parties. If Landlord makes any such payments to third parties or if Tenant fails to make any payments to Landlord required pursuant to this Lease, such amounts paid by Landlord to third parties or not timely made to Landlord by Tenant, as applicable, shall bear interest from the date of Landlord's disbursement (in the case of payments to third parties) or the due date (in the case of payments due from Tenant to Landlord) at the rate of twelve percent (12%) per annum. Tenant shall not be required to pay interest on any monthly rent received by Landlord on or before the tenth day of the month in which it is due. However, the late charge mentioned above shall apply to any such delinquent payment of rent received by Landlord subsequent to the fifth (5th) day of the month in which it is due. In addition to such interest, Tenant shall pay all costs reasonably incurred by Landlord in collecting any such delinquent payments, including, but not limited to, legal fees and court costs.

4. Quiet Enioyment.

Subject to the other terms of this Lease and Tenant's full, complete and timely performance of all of Tenant's obligations pursuant to this Lease (and cure of any default within any permitted cure period), during the Lease Term Tenant shall have the exclusive right of possession and the quiet enjoyment of the Premises.

5. Use of Premises.

5.1 Tenant shall be entitled to use the Premises for general office and warehouse purposes, but for no other purpose without the prior written consent of Landlord.

5.2 Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of Tenant's use or occupancy of the Premises.

5.3 Tenant shall keep the Premises clean and in a sanitary condition to the satisfaction of the Health and Fire Departments of the City of Seattle and shall comply with any applicable local, city, county, state or federal statute, ordinance, rule or regulation.

5.4 Tenant shall use the Premises in such a manner as not to adversely affect the roof of the Premises or the structural integrity of the building in which the Premises are located.

5.5 Tenant shall not cause, suffer or permit the discharge or emission of any offensive or hazardous substances, sounds or odors from the Premises.

5.6 Tenant shall not cause, suffer or permit any activity at the Premises which results in a nuisance.

5.7 Tenant shall not cause, suffer or permit the presence or storage at the Premises of any flammable, explosive materials, or other materials which creates a health or safety hazard.

6. Taxes and Utilities.

6.1 Prior to delinquency, Tenant shall pay all service charges for light, heat, water, sewer, and all other similar utility or other service which shall be charged against the Premises during the Lease.

6.2 Prior to delinquency, Tenant shall pay all real property taxes and public assessments now or subsequently levied against the Premises during the Lease Term. Tenant shall pay such amounts directly to the taxing authority and shall provide to Landlord prior to the delinquency of any such amount a copy of the billings and Tenant's check for payment.

6.3 Tenant shall not permit the Premises to be encumbered with any tax or assessment resulting from activities or improvements of Tenant without the prior consent of Landlord. Tenant shall have the right to contest the amount and validity of any tax or assessment with respect to the Premises. Prompt written notice of any protest action by Tenant shall be given to Landlord by Tenant. Further, Tenant shall keep Landlord fully advised of the progress of any such protest action. Tenant shall indemnify, defend and hold Landlord harmless from and against any cost or expense attributable to any such protest action,

including, without limitation, legal fees and court costs. Nothing in this Paragraph shall be construed to modify Tenant's covenant to pay taxes or assessments prior to delinquency or to prohibit Landlord from instituting any such contest on its own initiative.

7. Improvements and Alterations.

7.1 Tenant shall not, without the prior written consent of Landlord, alter, improve or add to the improvements on the Premises or install or attach thereto any fixtures or equipment.

7.2 Any alterations, improvements, additions, installations or attachments made by Tenant to the Premises pursuant to Paragraph 7.1 ("Tenant Improvements") shall be made at Tenant's sole cost and expense and shall, at the option of Landlord, become the property of Landlord at the expiration or termination of this Lease. No later than thirty (30) days following the expiration or termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove any Tenant Improvements which Landlord requires to be removed from the Premises. The foregoing covenant of Tenant shall survive the expiration or termination of this Lease. At the expiration or termination of this Lease (or immediately following Tenant's removal of any Tenant Improvements required to be removed by Landlord, as applicable), at Tenant's sole cost and expense, Tenant shall return the Premises to the condition existing on the Commencement Date (and any Tenant Improvements not required by Landlord to be removed by Tenant to the condition existing on the date of installation), ordinary wear and tear and damage by insured casualty excepted.

8. Maintenance of Premises.

8.1 Except as provided in Paragraph 8.3 below, Tenant shall, at Tenant's sole expense, keep the Premises (including, without limitation, the roof, exterior walls and foundation of the Premises) in the condition existing on the Commencement Date and any Tenant Improvements in the condition existing on the date of installation, ordinary wear and tear and damage by insured casualty excepted.

8.2 If Tenant fails to maintain the Premises or any Tenant Improvements in the agreed condition, Landlord shall have the right (but not the obligation) to cause the Premises or Tenant Improvements to be put into such condition. If Landlord elects to perform Tenant's obligations with respect to the maintenance of the Premises or any Tenant Improvements, Tenant shall pay all costs incurred by Landlord to put the Premises or Tenant Improvements into such condition no later than ten (10) days following written demand from Landlord for payment.

8.3 Landlord shall be obligated to pay a maximum of two percent (2%) of the rent paid by Tenant pursuant to this Lease to repair the roof, exterior walls and foundation of the Premises. Landlord shall accrue two percent (2%) of the rent paid by Tenant pursuant to this Lease on the books of Landlord. If repair of the roof, exterior walls or foundation of the Premises is required, Tenant shall notify Landlord of the need for such repair and the estimated cost of such repair. Tenant shall cause such repairs to be completed at Tenant's sole cost and expense and shall provide Landlord with reasonable proof of payment. Within ten (10) business days of receipt of Landlord of such evidence of payment, Landlord shall reimburse Tenant the cost of such repairs up to the aggregate amount of two percent (2%) of the rent previously paid by Tenant to Landlord as accrued by Landlord on its books as provided above. If the amount accrued by Landlord is insufficient to fully reimburse Tenant, Tenant shall deduct two percent (2%) of each subsequent rent payment until Tenant has received full reimbursement for the cost of such repairs. Thereafter, Landlord shall again begin to accrue two percent (2%) of the rent paid by Tenant for future repairs. The parties intend that any unused accrual by Landlord shall be the property of Landlord.

9. Indemnification and Insurance.

9.1 Landlord shall not be liable to Tenant or to any person, firm or corporation whatsoever for any injury to or death of any person, or for any loss of or damage to property (including property of Tenant) occurring in or about the Premises from any cause whatsoever, except for the negligence or willful misconduct of Landlord. Except for any matter described in this Paragraph which results from the negligence or willful misconduct of Landlord, Tenant agrees to defend, indemnify and save Landlord harmless from any loss, damage, liability or expense (including expense of litigation) arising out of or resulting from any actual or alleged injury to or death of any person, or from any actual or alleged loss of or damage to property caused by or resulting from any occurrence on or about the Premises, including, but not limited to, damage or loss caused by or resulting from any act or omission, whether negligent or otherwise, of Tenant, or any officer, agent, employee, contractor, guest, invitee, customer or visitor of Tenant.

9.2 Tenant shall keep the Premises and any Tenant Improvements insured at its expense under policies of all-risk insurance during the term of this Lease to the full insurable value, and shall furnish certificates evidencing such insurance coverage and renewals thereof to Landlord and to any mortgagee of the Premises or other parties financing Landlord's ownership, with loss payable to Landlord, Tenant and such mortgagee,

financial institution or other party, as their respective interests may appear. Landlord will notify Tenant on or before the Commencement Date, and from time to time thereafter at intervals no more frequent than annually, of the amount of insurance coverage required hereunder, and Tenant may rely on said amount as being the full insurable value for the purposes of this Lease. Such insurance policies shall provide that such policies may not be cancelled without thirty (30) days prior written notice to Landlord and all other insureds. The policies of insurance maintained by Tenant pursuant to this Paragraph shall contain a mutual waiver of subrogation clause between Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership.

9.3 Tenant shall maintain public liability insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises or other parties financing Landlord's ownership in the minimum amount of Two Million Dollars (\$2,000,000) in all-risk form. If substantially cheaper public liability insurance is available to Tenant in the future, the amount of public liability coverage shall be increased to such amount as is agreed to by Landlord and Tenant.

9.4 Tenant shall maintain rental loss/~~business interruption~~ insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership of the Premises in the minimum amount of the rent payable during the Lease Year in which the insurance is maintained. 902
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9.5 Each policy of insurance maintained by Tenant pursuant to this Paragraph 9 shall be in form and substance reasonably acceptable to Landlord; shall be issued by insurance companies reasonably acceptable to Landlord; and shall contain such endorsements and provisions as Landlord, any mortgagee of Landlord and any other party financing Landlord's ownership of the Premises may reasonably require consistent with standard business practice.

10. Landlord's and Tenant's Access.

Tenant will allow Landlord or Landlord's agents access to the Premises at all reasonable times for any reasonable purpose.

11. Tenant's Signs.

Tenant shall have the right to install and maintain signs and displays on the Premises, with the consent of Landlord.

12. Loss.

If the Premises or any Tenant Improvements are damaged or destroyed by any cause ("Loss"), then Landlord shall have the right to:

(a) Terminate this Lease effective as of the date of such Loss by giving to Tenant within thirty (30) days of the occurrence of such Loss written notice of such termination and neither Landlord nor Tenant shall not have any future obligations hereunder; or

(b) Promptly repair and restore the Premises to its condition prior to the damage or such other condition as agreed in writing by the parties,, at Tenant's sole cost and expense. Pending restoration of the Premises and Tenant Improvements, rent shall be not be abated or reduced in any manner whatsoever.

If a Loss occurs and Landlord terminates this Lease, Landlord shall be entitled to all casualty insurance proceeds paid as a result of the Loss and rental loss insurance to the extent of any rent unpaid by Tenant. Tenant shall be entitled to the balance of any ~~business interruption~~ insurance proceeds.

Rental Loss *gile*
If a Loss occurs and this Lease is not terminated, Tenant shall repair the Premises to the condition existing prior to the Loss and Landlord shall make available to Tenant such proceeds of casualty insurance as may be required to repair the Premises. Any excess casualty insurance proceeds shall be the property of Landlord. Any deficiency in casualty insurance proceeds shall be paid by Tenant.

13. Eminent Domain and Requisition of Use.

If during the Lease Term any interest in the Premises, whether in land, building or improvements, or Tenant Improvements is taken as a result of the exercise of the power of eminent domain or requisition of use thereof (herein a "Taking"), and such Taking substantially impairs Tenant's tenability of the balance of the Premises, then this Lease shall terminate in respect of the entire Premises on the date title is vested in or partial possession is taken by the condemnor or requisitioning body, whichever first occurs, pursuant to the eminent domain or requisition proceedings. Such Taking shall be deemed to have substantially impaired Tenant's tenability of the balance of the Premises in any case where the area of the Premises after such Taking is less than eighty percent (80%) of the originally leased area of the Premises. If such Taking does not substantially impair Tenant's tenability of the balance of the Premises, then this Lease shall terminate only in respect of the

portion of the Premises affected by such Taking, and the amount of the rental payable hereunder shall be reduced by the amount of the rental proportionate to the portion of the Premises subject to such Taking, effective upon the date title is vested in, or possession is taken by, the condemnor or requisitioning body, whichever first occurs, pursuant to the eminent domain requisition proceedings. Any award made in eminent domain proceedings or rentals for requisition of use shall be distributed between Landlord and Tenant as follows:

(a) First, Landlord shall receive any amount awarded to compensate for repairs necessary to restore the balance of the Premises and Tenant Improvements to use;

(b) Next, Landlord receive all sums attributable to compensation for the Taking of the affected portion of the Premises and Tenant Improvements;

(c) Next, Tenant shall receive all sums attributable to compensation for any moving or other expenses resulting from such Taking; and

(d) Landlord shall receive any remaining balance.

If condemnation proceeds are distributed to Landlord for repairs necessary to restore the balance of the Premises and Tenant Improvements, Tenant shall cause such restoration to be completed and Landlord shall make available such condemnation proceeds as are necessary to effect the restoration. Landlord shall be entitled to any excess condemnation proceeds and Tenant shall pay any deficiency.

14. Default.

If Tenant fails to keep and perform any of the covenants and agreements of this Lease after written notice from Landlord specifying such default and permitting Tenant no less than ten (10) days to remedy a monetary default and no less than thirty (30) days to remedy a non-monetary default, then Landlord may cancel this Lease. If Landlord cancels this Lease, Tenant shall remain liable to Landlord for all obligations of Tenant specified in this Lease for the remainder of the Lease Term (exclusive of any extension periods not exercised by Tenant). Notwithstanding such re-entry by Landlord, the liability of Tenant for rent and all other obligations of Tenant specified in this Lease shall not be extinguished for the balance of the Lease Term (exclusive of any extension periods not exercised by Tenant). Tenant covenants and agrees to make good to the Landlord any deficiency arising from any re-entry and re-letting of the Premises at a lesser rental or other less favorable terms than those to which Tenant

is bound pursuant to this Lease, plus the cost of renovating the Premises for any new tenant(s) and re-letting it, which amounts Tenant shall pay each month in the manner required for rent hereunder.

15. Insolvency.

If Tenant becomes either insolvent or bankrupt, or if a receiver is appointed for Tenant, Landlord may at its option cancel this Lease.

16. Assignment and Sublease.

Tenant may assign this Lease or sublet the Premises, in whole or in part, with the prior written consent of Landlord. Notwithstanding any such assignment or subletting by Tenant, Tenant shall not be released from liability under this Lease.

17. Lender Consent.

This Lease shall not be amended or modified in any manner whatsoever without the prior written consent of any lender now or hereafter having a recorded mortgage instrument of public record which affects the Premises or this Lease. Tenant shall fully cooperate with Landlord in connection with Landlord's efforts to obtain any such consent of lender.

18. Subordination.

This Lease shall be inferior to and subordinate to any mortgage which affects the Premises whether such mortgage affects the Premises prior to, concurrently with, or subsequent to the date on which this Lease affects the Premises. Tenant's agreement with respect to the priority for this Lease stated in the foregoing sentence is subject to the agreement of any lender with a superior mortgage agreeing to recognize this Lease if the mortgage is foreclosed and Tenant is not in default hereunder. Upon request by Tenant, any such lender shall execute and deliver to Tenant a Subordination and Non-Disturbance Agreement in form reasonably required by Tenant to effectuate the protection of Tenant mentioned in this Paragraph.

19. Notices.

Any notice required to be given by either party to the other shall be in writing and mailed registered mail, return receipt requested, postage prepaid, and addressed as follows:

TENANT
TO LANDLORD:

c/o Manson Construction & Engineering
Co., 5209 East Marginal Way, Seattle,
Washington 98124
Attention: Glen A. Edwards

TM
902
LANDLORD
TO ~~TENANT~~:

c/o Alston, Courtage, MacAulay &
Proctor, Suite 3900, 1000 Second Avenue,
Seattle, Washington 98104. Attention:
Thaddas L. Alston

or to such other address as either Landlord or Tenant may hereafter designate in writing to the other from time to time. Notices shall be deemed given and effective upon deposit in the United States Mail.

20. Entire Agreement.

This Lease supersedes all prior oral discussions and written matter of the parties concerning the subject matter hereof, and shall not be varied except by a writing concurrent with or subsequent hereto executed by the parties hereto.

21. Covenants Binding on Assigns.

The covenants and agreements of this Lease shall be binding not only upon the Landlord and Tenant, but also upon their successors and permitted assigns.

22. Construction of Terms.

Time is of the essence hereof. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against Landlord or Tenant. Paragraph headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or modifying the provisions hereof.

23. Estoppel Certificates.

Upon request by Landlord, Tenant shall execute and deliver to Landlord (or any purchaser, lender or other interested party designated by Landlord), an estoppel certificate which shall provide the following information and such other information as Landlord shall reasonably request: (a) the date on which this Lease was executed and the date on which the Lease Term expires; (b) the amount of the minimum monthly rent; (c) the date to which rent has been paid; (d) the fact that this Lease is in full force and effect; (e) that all required contributions by Landlord for improvements to the Premises have been made (or if not made, the nature of any outstanding required contributions by Landlord); (f) that Landlord is not in default under the Lease (or if Landlord is in the default, the nature of the default); and (g) that Tenant is not entitled to any offset or deduction with respect to rent payable pursuant to this Lease (or if Tenant is so entitled, the amount and nature of such right of offset or

deduction).

24. Waiver, Voluntary Acts.

No waiver of any default shall constitute a waiver of any other breach or default, whether of the same of any other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular rental payment.

25. Holding Over.

Should Tenant, with the consent of Landlord, hold possession of any portion of the Premises after expiration of the Lease Term, Tenant shall become a tenant from month to month in respect thereof upon all the terms, conditions and covenants of this Lease.

26. Covenants Binding on Assigns.

The covenants and agreements of this Lease shall be binding not only upon the Landlord and Tenant, but also upon their successors and permitted assigns.

27. Construction of Terms.

Time is of the essence hereof. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against Landlord or Tenant. Paragraph headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or modifying the provisions hereof.

28. Attorney's Fees.

If either party brings any action or proceeding to enforce, interpret, protect or establish any right or remedy pursuant to this Lease, the prevailing party shall be entitled to recover all costs and reasonable attorney's fees, as the court may allow. Arbitration is an action or proceeding for the purpose of this provision.

29. Net Lease.

It is intended by Landlord and Tenant that this Lease is absolutely net to Landlord, without any expense of any nature to

Landlord except as specifically provided herein. Tenant shall be responsible for payment of all expenses, and for any loss or damage, connected with or related to the Premises, including but not limited to those items of expense or damage specifically set forth herein.

30. Arbitration.

If any dispute arises between the parties with respect to this Lease, the dispute shall be submitted for decision by a commercial real estate expert jointly selected by Landlord and Tenant from Grubb & Ellis, Coldwell Banker or Kidder Mathews & Segner. If the parties fail to agree upon the real estate expert within fifteen (15) business days of demand by either party, the expert shall be selected by the Presiding Department of the King County Superior Court on motion of either party. The decision of the real estate expert shall be binding upon Landlord and Tenant. Notwithstanding the foregoing, payment of rent by Tenant to Landlord or payment of other payment obligations of Tenant to Landlord or third parties shall not be subject to arbitration.

31. Right of First Refusal.

So long as Tenant is not in default under this Lease, Tenant shall have a right of first refusal to purchase the Premises ("First Refusal") during the Lease Term. The First Refusal shall terminate on the termination of the Lease Term. If Landlord receives a bona fide offer to purchase the Premises on terms acceptable to Landlord ("Acceptable Offer"), Landlord shall provide a copy of the Acceptable Offer to Tenant. Tenant shall have a period of ten (10) business days from receipt of the copy of the Acceptable Offer within which to agree to purchase the Premises on the same terms as stated in the Acceptable Offer. If Tenant does not exercise the First Refusal within the period of ten (10) business days, Landlord shall have the right to sell the Premises on the terms stated in the Acceptable Offer. If Tenant exercises the First Refusal, Tenant shall do so by written notice to Landlord and compliance by Tenant with the terms of the Acceptable Offer, including, but not limited to, the payment of any earnest money deposit required by the terms of the Acceptable Offer. If Tenant does not exercise the First Refusal, it shall, subject to the terms of this Paragraph, continue in existence until the termination of the Lease Term.

32. Financial Information.

From time to time, upon request by Landlord, Tenant shall provide to Landlord's lender such current financial information with respect to Tenant and its operations as is customarily produced by Tenant, including, but not limited to

Tenant's most current financial statement. Any such lender shall keep Tenant's financial information confidential.

(Landlord)

Othello Street Warehouse Corporation

By Thaddas L. Alston
Thaddas L. Alston, Authorized Signer

(Tenant)

Manson Construction & Engineering Co.

By [Signature]
Its Pres.

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this 21st day of October, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Thaddas L. Alston, known to me to be the Authorized Signer for Othello Street Warehouse Corporation, the corporation which executed the foregoing document and he acknowledged to me that he signed the foregoing document as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned and that he was authorized to do so.

WITNESS my hand and official seal the day and year in this certificate above written.

Theresa P. DeRemer
 NOTARY PUBLIC in and for the State of
 Washington, residing at Seattle.
 My Commission Expires: 1-1-89

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this 21st day of October, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Theresa P. DeRemer known to me to be the President of Manson Construction & Engineering Co., the corporation which executed the foregoing document and he acknowledged to me that he signed the foregoing document as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned and that he was authorized to do so.

WITNESS my hand and official seal the day and year in this certificate above written.

Theresa P. DeRemer
 NOTARY PUBLIC in and for the State of
 Washington, residing at Seattle.
 My Commission Expires: 1-1-89

EXHIBIT ALEGAL DESCRIPTIONPARCEL A:

Those portions of the abandoned beds of the Duwamish River lying within the northeast quarter of the southwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

TOGETHER WITH those portions of Tracts 19 and 20, Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, and all being more particularly described as follows;

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north margin of South Othello Street, as dedicated in said plat; thence north $89^{\circ}58'57''$ west along said right-of-way, 477.56 feet to the southwest corner of said Tract 20 and the true point of beginning; thence south $20^{\circ}44'33''$ east, a distance of 53.47 feet to the northwest corner of Tract 16 of said plat; thence south $10^{\circ}03'29''$ west, a distance of 38.93 feet to the easterly margin of Commercial Waterway District No. 1 and the most westerly corner of Tract 16; thence north $49^{\circ}00'00''$ west along said easterly margin, 65.71 feet to a point of intersection of Commercial Waterway District No. 1 margin; thence continuing along said easterly margin north $43^{\circ}32'00''$ west, a distance of 365.49 feet to the south line of South Garden Street projected westerly; thence along said projection line and the south margin of South Garden Street and the north line of said Tracts 19 and 20 east, a distance of 369.37 feet to a point on a line that is 700.00 feet west of and parallel with the east line of Tract 17 of said plat; thence south $0^{\circ}08'57''$ east, a distance of 219.78 feet to the north margin of South Othello Street and the south line of said Tract 20; thence north $89^{\circ}58'57''$ west, a distance of 81.24 feet along said margin to the true point of beginning;

(BEING KNOWN AS Lot A of Lot Line Adjustment Number 8708120, as recorded under Recording Number 8809140174).

PARCEL B:

Those portions of the northeast quarter of the southwest quarter and the southeast quarter of the northwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

(legal description, continued)

LEGAL DESCRIPTION, continued:

TOGETHER WITH those portions of the abandoned beds of the Duwamish River lying within said quarter sections;

TOGETHER WITH that portion of South Orchard Street, as vacated under Ordinance Number 50034;

TOGETHER WITH those portions of Lots 9 and 10, Block 7, and Tracts 21, 22 and 23 of the Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, all being more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2256.41 feet to a point on the north margin of South Garden Street, as dedicated in said plat, said point being the true point of beginning; thence west along said margin, 393.23 feet; thence south $00^{\circ}00'00''$ east, a distance of 60.00 feet; thence west along the south margin of Garden Street projected 418.36 feet to a point on the easterly margin of the Commercial Waterway District No. 1; thence north $43^{\circ}52'00''$ west along said easterly margin, 717.91 feet to a point on the south margin of South Myrtle Street produced westerly as deeded to the City of Seattle by deed recorded under Recording Number 833369; thence south $89^{\circ}59'17''$ east along said south margin, 228.47 feet; thence north $63^{\circ}10'07''$ east, a distance of 88.58 feet to the centerline of South Myrtle Street; thence south $46^{\circ}57'17''$ east, a distance of 60.93 feet to the south margin of South Myrtle Street produced westerly and the northwest corner of a tract of land deeded under Recording Number 2733678; thence south $89^{\circ}59'17''$ east along said south margin, 581.76 feet to the westerly margin of 7th Avenue South; thence south $0^{\circ}00'43''$ west along said west margin, 259.87 feet to the south margin of South Orchard Street; thence continuing south $0^{\circ}00'43''$ west, a distance of 70.71 feet; thence west, a distance of 22.76 feet; thence south $0^{\circ}03'53''$ west, a distance of 124.71 feet to a point that is 5.00 feet north of the north margin of South Garden Street; thence east on a line that is parallel with said north margin, 401.93 feet the east line of the west 10 feet of Lot 9, Block 7 of said plat; thence south $0^{\circ}08'57''$ east along said east line, 5.00 feet to the north margin of South Garden Street; thence west, a distance of 48.28 feet to the true point of beginning

(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL D:

Lots 1 through 5, inclusive, Block 7, Plat of Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, lying within the Northwest quarter of the southeast quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington, more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2,256.41 feet to a point on the north right-of-way line of South Garden Street; thence due East along said right-of-way, a distance of 298.28 feet, and the true point of beginning; thence north $0^{\circ}08'57''$ west along said right-of-way line to the south right of way line of South Orchard Street, a distance of 200.14 feet; thence north $89^{\circ}58'32''$ west along said right-of-way line, a distance of 100.00 feet; thence south $0^{\circ}08'57''$ east to the north right-of-way line of South Garden Street, a distance of 200.18 feet; thence due east along said right-of-way line to the true point of beginning, a distance of 100.00 feet.

(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL E:

A perpetual easement for rail ingress and egress as granted in instruments recorded under Recording Numbers 8208130666, 8212100106 and 8212100107, said easement being appurtenant to that portion of Parcel B, more particularly described as follows:

Commencing at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north right-of-way line of South Othello Street, as dedicated in said plat of Duwamish Industrial Addition and the south line of Tract 18; thence north $89^{\circ}58'57''$ west, a distance of 477.56 feet along said right-of-way line to the southwest corner of Tract 20 of said Duwamish Industrial Addition; thence north $20^{\circ}44'33''$ west along the west line of said Tract 20, a distance of 234.98 feet to the south right-of-way line of South Garden Street; thence north $14^{\circ}58'53''$ west, a distance of 62.11 feet to the north right-of-way line of said South Garden Street, and the southwest corner of said Tract 23, and being the true point of beginning; thence due west on the extension of the south line of said Tract 23, a distance of 35.93 feet; thence north $32^{\circ}39'30''$ west, 380.00 feet; thence north $60^{\circ}33'54''$ west, 16.60 feet; thence north $30^{\circ}14'49''$ west, 132.00 feet; thence north $0^{\circ}00'43''$ east, 18.29 feet to the south right-of-way line of South Myrtle Street; thence south $89^{\circ}59'17''$ east along the south right-of-way line of South Myrtle Street, a distance of 572.76 feet to the westerly right-of-way line of 7th Avenue South; thence south $00^{\circ}00'43''$ west along the west line of 7th Avenue South, a distance of 259.87 feet to the south right-of-way line of South Orchard Street and the north line of said Tract 21; thence south $89^{\circ}58'32''$ east along said right-of-way line, a distance of 16.06 feet; thence due south 70.70 feet; thence due west 38.84 feet;

thence south $0^{\circ}03'53''$ west, a distance of 129.70 feet to the north right-of-way line of South Garden Street and being the south line of said Tract 23; thence due west along said right-of-way line and south line of Tract 23, a distance of 227.84 feet to the true point of beginning; EXCEPT any portion thereof lying within Parcel B.

CLOSING AGREEMENT

This is an agreement made on October 24, 1988, between Othello Street Warehouse Corporation, a Washington corporation ("Othello") and Manson Construction & Engineering Co., a Washington corporation ("Manson") and Mega Terminals, Inc., a Washington corporation ("Mega"). Othello agrees with Manson and Mega as follows.

1. Recitals.

1.1. Manson, Mega and their affiliates are selling the real property described in Exhibit A ("Property") to Othello. In connection with the sale of the Property, Manson is leasing from Othello the Property described in Exhibit B ("Yard 2 Property") pursuant to the Lease Agreement of even date with this Agreement ("Manson Lease"). In addition, Mega is leasing from Othello the Property described in Exhibit C ("Mega Property") pursuant to the Lease Agreement of even date with this Agreement ("Mega Lease"). The Manson Lease and Mega Lease are incorporated herein by this reference.

1.2. Certain issues will be unresolved at the closing of the purchase, sale and lease of the Property. This Agreement addresses those unresolved issues.

2. Lease Bond.

In connection with the Mega Lease, Safeco Insurance Company ("Safeco") is issuing a Lease Bond to Othello of even date with this Agreement ("Lease Bond"). The Lease Bond is incorporated herein by this reference. The Lease Bond may be cancelled by Safeco by written notice to Othello one year prior to the cancellation date of the Lease Bond. Manson hereby absolutely and unconditionally guarantees to Othello that if the Lease Bond is cancelled by Safeco, Manson shall cause substitute security, acceptable to Othello, to be provided to Othello prior to the cancellation date of the Lease Bond. Such substitute security shall be a substitute lease bond acceptable to Othello or, failing such a substitute lease bond, a cash security deposit in the amount of the liability of Safeco under the Lease Bond at the effective date of the cancellation of the Lease Bond.

3. Norsk Pacific.

Mega is negotiating with Norsk Pacific Steamship Company Limited ("Norsk") to joint venture certain business activities with Mega. If the joint venture with Norsk is

entered and Norsk agrees to unconditionally and absolutely guarantee fifty percent (50%) of Mega's obligations under the Mega Lease (as amended), Othello, Mega and Norsk shall amend the Mega Lease to add Parcel B to the Mega Lease, and to increase the rent payable under the Mega Lease and Othello and Manson shall amend the Manson Lease to delete Parcel B of the Property from the Manson Lease and to reduce the rent payable under the Manson Lease by the amount that the rent is increased under the Mega Lease, *AND THE LEASES SHALL REMAIN IN AMERICAN & WILL BE*

4. Asbestos.

4.1. An inspection has been performed Earth Consultants dated October 4, 1988 ("Earth Consultants Report") with respect to the property leased under the Manson Lease ("Manson Property"). The Earth Consultants Report is incorporated herein by this reference. Othello and Manson agree that Manson shall immediately clean up and repair all asbestos and PCBs on the Manson Property which constitute a health or safety hazard. Such cleanup and removal shall be done at the sole expense of Manson.

4.2. Page 8 of the Earth Consultants Report identifies asbestos insulated pipes on the Manson Property. Prior to the termination of the Manson Lease, Manson shall cause all such asbestos to be removed from the Manson Property and disposed of in accordance with applicable law. The cost of such removal and disposal shall be paid for by Manson, but shall be a reimbursable expense by Othello pursuant to Paragraph 8.2 of the Manson Lease.

4.3. Prior to the termination of the Manson Lease, Manson shall remove, dispose of and replace with units of similar quality (but containing no PCBs) all light units on the Manson Property which contain PCBs. The cost of such removal, disposal and replacement shall be paid for by Manson, but shall be a reimbursable expense by Othello pursuant to Paragraph 8.2 of the Manson Lease.

4.4. During the term of the Lease, Manson shall establish such routine inspection and safety procedures as may be required or recommended by governmental agencies with respect to PCBs and asbestos on the Manson Property and shall indemnify, defend and hold Othello harmless from and against any and all claims, demands, liabilities, costs and expenses which may arise out of the existence of asbestos or PCBs on the Manson Property, including, but not limited to, any claims with respect to the health or safety of any person coming into contact with such asbestos or PCBs.

4.5. Petroleum.

The Earth Consultants' Report indicates that certain petroleum/oil storage tanks were removed from the Manson Property. Manson shall use best efforts to locate for Earth Consultants the former location of such petroleum/oil storage tanks. Othello shall cause soils samples to be taken after the location is completed. If any petroleum/oil spillage is determined to exist, Manson shall cause spillage to be removed and disposed of at Manson's sole cost and expense.

5. Miscellaneous.

5.1. The provisions of this Agreement shall govern over any conflicting terms of the Manson Lease or the Mega Lease.

5.2. If any party to this Agreement defaults, the defaulting party shall pay all costs incurred by the non-defaulting party because of the default, including, but not limited to, legal fees incurred with or without litigation and on appeal.

(Othello)

Othello Street Warehouse Corporation

By Thaddas L. Alston
Thaddas L. Alston, Authorized
Signer

(Mega)

Mega Terminals, Inc.

By Irving M. Haug
Irving M. Haug, President

(Manson)

Manson Construction & Engineering Co.

By Glenn A. Edwards
Glenn A. Edwards, President

11/15/90
AFTER RECORDING RETURN TO:
Security Pacific Bank
1110 Second Avenue
P.O. Box 3966, S03-4
Seattle, Washington, 98124-3966
Attn: Tina Vail

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT
WITH ESTOPPEL CERTIFICATE

THIS AGREEMENT, made and entered into as of the ____ day of June, 1990, by and between MANSON CONSTRUCTION & ENGINEERING COMPANY, a Washington corporation ("Tenant") whose address is 5209 East Marginal Way, Seattle, Washington 98124, Attn: Glenn A. Edwards, and SECURITY PACIFIC BANK WASHINGTON, N.A. ("Lender"), whose address is 1110 Second Avenue, P.O. Box 3966, S03-4, Seattle, Washington 98124-3966.

RECITALS:

A. Lender has agreed to make a non-recourse mortgage loan ("Loan") to OTHELLO STREET WAREHOUSE COMPANY, a Washington corporation ("Borrower") in the amount of \$6,400,000.00, to be secured by a deed of trust ("Deed of Trust") on the real property ("Property") legally described on Exhibit "A" attached.

B. Tenant is the present lessee under a lease ("Lease") dated October 24, 1988, made by Othello Street Warehouse Corporation as landlord, demising all or a portion of the Property.

C. The Loan requires that Tenant subordinate the Lease and its interest in the Property to the lien of the Deed of Trust and that Tenant attorn to Lender.

D. In return, Lender is agreeable to not disturbing Tenant's possession of the portion of the Property covered by the Lease ("Premises"), so long as Tenant is not in default under the Lease;

NOW, THEREFORE, the parties hereby agree as follows:

1. Subordination. The Lease, and the rights of Tenant in, to and under the Lease and the Premises, are hereby subjected and subordinated, and shall remain in all respects and for all purposes subject and subordinate, to the lien of the Deed of Trust, and to any and all renewals, modifications and extensions, and any and all other instruments held by Lender as security for the Loan.

2. Tenant Not To Be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the Lease to cure such default) in the payment of rent or additional rent or

in the performance of any of the terms, covenants or conditions of the Lease (a) Tenant's possession of the Premises shall not be diminished or interfered with or disturbed by Lender during the term of the Lease or any extensions or renewals, and (b) Lender will not join Tenant as a defendant in any action or proceeding foreclosing the Deed of Trust unless such joinder is necessary to foreclose the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

3. Tenant To Attorn To Lender. If Lender shall become the owner of the Property ~~or the Property~~ is sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Property is transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Property and Tenant, and Tenant will attorn to Lender or any other such owner as its lessor. This attornment shall be effective and self-operative without the execution of any further instruments. Provided, however, that Lender or such other owner shall not be (a) liable for any act or omission of any prior lessor (including Borrower as lessor), or (b) subject to any offsets or defenses which Tenant might have against any such prior lessor, or (c) bound by any prepayment of rent or additional rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease, or (d) bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of any such prior lessor made or given without the written consent of Lender or any subsequent holder of the Deed of Trust. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or any such other owner that it has succeeded to Borrower's interest under the Lease.

4. Purchase Options. Any option or rights contained in the Lease, or otherwise existing, to acquire any or all the Property are subject and subordinate to the rights of Lender under the Deed of trust and any acquisition of any or all of the Property by Tenant during the term of the Deed of Trust shall be subordinate and subject to the Deed of Trust.

5. Lender's Option to Cure Borrower's Default. Tenant agrees that borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within 30 days after the receipt of such notice. Tenant further agrees not to invoke any of its remedies under the Lease until said 30 days have elapsed, or during any period that Lender is proceeding the cure such default with due diligence, or is diligently taking steps to obtain the right to enter the Premises and cure the default.

6. Assignment of Lease. Tenant acknowledges that the interest of Borrower in the Lease has been assigned to Lender as security under the Deed of Trust and that Lender assumes no duty,

liability or obligation under the Lease or any extension or renewal of the Lease, either by virtue of said assignment or by any subsequent receipt or collection of rents under the assignment, and that unless the written consent of Lender is first obtained, no cancellation, surrender or modification may be made of the Lease and no rental shall be paid other than as now provided in the Lease or in such modification of the Lease as may receive the written approval of Lender.

7. Rental Payments. Until such time as Tenant is otherwise notified in writing by Lender, it shall make all rental payments under the lease to Borrower as provided therein.


8. Successors and Assigns. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, administrators, representatives, successors and assigns.

9. Tenant hereby certifies the Lender that:

- (a) The Lease is dated October 24, 1988, is in full force and effect, and has not been modified, changed, altered or amended except as follows:

_____;


- (b) The Lease term commenced on November 1, 1988, and terminates on October 31, 1998;

- (c) Tenant has taken possession the demised premises and has accepted the same. ~~The improvements described in the Lease have been constructed in accordance with the plans and specifications and are accepted by Tenant;~~ 

- (d) The minimum monthly rent is \$41,667.00, and Tenant has made no agreements concerning free rent, partial rent, rebate of rental payments or any other type of rental concessions;

- (e) Tenant agrees not to cancel, modify, assign, renew, extend or prepay more than one (1) month's rent without Lender's prior written consent;

- (f) Tenant knows of no uncured default by Borrower [as landlord] under the Lease;

- (g) ~~Tenant does not have an option to purchase the Property, nor does it have a right of first refusal or any other right to acquire the Property at any time.~~ 

"LENDER"

SECURITY PACIFIC BANK WASHINGTON, N.A.

By: _____

Its: _____

"TENANT"

MANSON CONSTRUCTION & ENGINEERING
COMPANY, a Washington Corporation

By: *David P. Blum*

Its: *CFO*

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this _____ day of June, 1990, before me personally appeared _____, to me known to be the _____ of Security Pacific National Bank Washington, N.A., that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said banking association, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

Notary Public in and for the State
of _____, residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 20th day of June, 1990, before me personally appeared Daniel J. Dolmseth, to me known to be the Chief Financial Officer, of MANSON CONSTRUCTION & ENGINEERING COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument, and that the seal affixed (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

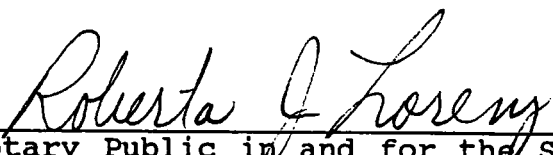

Notary Public in and for the State
of Washington, residing at Redmond
My Commission Expires: 10-24-93

EXHIBIT A

LEGAL DESCRIPTION

PARCEL A:

Those portions of the abandoned beds of the Duwamish River lying within the northeast quarter of the southwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

TOGETHER WITH those portions of Tracts 19 and 20, Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, and all being more particularly described as follows;

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}37'26''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north margin of South Othello Street, as dedicated in said plat; thence north $89^{\circ}58'57''$ west along said right-of-way, 477.56 feet to the southwest corner of said Tract 20 and the true point of beginning; thence south $20^{\circ}44'33''$ east, a distance of 53.47 feet to the northwest corner of Tract 16 of said plat; thence south $10^{\circ}03'29''$ west, a distance of 38.93 feet to the easterly margin of Commercial Waterway District No. 1 and the most westerly corner of Tract 16; thence north $49^{\circ}00'00''$ west along said easterly margin, 65.71 feet to a point of intersection of Commercial Waterway District No. 1 margin; thence continuing along said easterly margin north $43^{\circ}32'00''$ west, a distance of 365.49 feet to the south line of South Garden Street projected westerly; thence along said projection line and the south margin of South Garden Street and the north line of said Tracts 19 and 20 east, a distance of 369.87 feet to a point on a line that is 700.00 feet west of and parallel with the east line of Tract 17 of said plat; thence south $0^{\circ}08'57''$ east, a distance of 219.78 feet to the north margin of South Othello Street and the south line of said Tract 20; thence north $89^{\circ}58'57''$ west, a distance of 81.24 feet along said margin to the true point of beginning;

(BEING KNOWN AS Lot A of Lot Line Adjustment Number 8708120, as recorded under Recording Number 8809140174).

PARCEL E:

Those portions of the northeast quarter of the southwest quarter and the southeast quarter of the northwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

(legal description, continued)

LEGAL DESCRIPTION, continued:

TOGETHER WITH those portions of the abandoned beds of the Duwamish River lying within said quarter sections;

TOGETHER WITH that portion of South Orchard Street, as vacated under Ordinance Number 50034;

TOGETHER WITH those portions of Lots 9 and 10, Block 7, and Tracts 21, 22 and 23 of the Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, all being more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2256.41 feet to a point on the north margin of South Garden Street, as dedicated in said plat, said point being the true point of beginning; thence west along said margin, 353.23 feet; thence south $00^{\circ}00'00''$ east, a distance of 60.00 feet; thence west along the south margin of Garden Street projected 418.36 feet to a point on the easterly margin of the Commercial Waterway District No. 1; thence north $43^{\circ}32'00''$ west along said easterly margin, 717.91 feet to a point on the south margin of South Myrtle Street produced westerly as deduced to the City of Seattle by deed recorded under Recording Number 833369; thence south $89^{\circ}59'17''$ east along said south margin, 228.47 feet; thence north $63^{\circ}10'07''$ east, a distance of 88.58 feet to the centerline of South Myrtle Street; thence south $48^{\circ}57'17''$ east, a distance of 60.93 feet to the south margin of South Myrtle Street produced westerly and the northwest corner of a tract of land deeded under Recording Number 2733678; thence south $89^{\circ}59'17''$ east along said south margin, 581.76 feet to the westerly margin of 7th Avenue South; thence south $0^{\circ}00'43''$ west along said west margin, 259.87 feet to the south margin of South Orchard Street; thence continuing south $0^{\circ}00'43''$ west, a distance of 70.71 feet; thence west, a distance of 22.76 feet; thence south $0^{\circ}03'53''$ west, a distance of 124.71 feet to a point that is 5.00 feet north of the north margin of South Garden Street; thence east on a line that is parallel with said north margin, 401.93 feet the east line of the west 10 feet of Lot 9, Block 7 of said plat; thence south $0^{\circ}08'57''$ east along said east line, 5.00 feet to the north margin of South Garden Street; thence west, a distance of 48.28 feet to the true point of beginning.

(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL D:

Lots 1 through 5, inclusive, Block 7, Plat of Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, lying within the Northwest quarter of the southeast quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington, more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2,256.41 feet to a point on the north right-of-way line of South Garden Street; thence due East along said right-of-way, a distance of 298.28 feet, and the true point of beginning; thence north $0^{\circ}08'57''$ west along said right-of-way line to the south right of way line of South Orchard Street, a distance of 200.14 feet; thence north $89^{\circ}58'32''$ west along said right-of-way line, a distance of 100.00 feet; thence south $0^{\circ}08'57''$ east to the north right-of-way line of South Garden Street, a distance of 200.18 feet; thence due east along said right-of-way line to the true point of beginning, a distance of 100.00 feet.

(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL E:

A perpetual easement for rail ingress and egress as granted in instruments recorded under Recording Numbers 8208130666, 8212100106 and 8212100107, said easement being appurtenant to that portion of Parcel B, more particularly described as follows:

Commencing at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north right-of-way line of South Othello Street, as dedicated in said plat of Duwamish Industrial Addition and the south line of Tract 18; thence north $89^{\circ}58'57''$ west, a distance of 477.56 feet along said right-of-way line to the southwest corner of Tract 20 of said Duwamish Industrial Addition; thence north $20^{\circ}44'33''$ west along the west line of said Tract 20, a distance of 234.98 feet to the south right-of-way line of South Garden Street; thence north $14^{\circ}58'53''$ west, a distance of 62.11 feet to the north right-of-way line of said South Garden Street, and the southwest corner of said Tract 23, and being the true point of beginning; thence due west on the extension of the south line of said Tract 23, a distance of 35.93 feet; thence north $32^{\circ}39'30''$ west, 380.00 feet; thence north $60^{\circ}33'54''$ west, 16.60 feet; thence north $30^{\circ}14'49''$ west, 132.00 feet; thence north $0^{\circ}00'43''$ east, 18.29 feet to the south right-of-way line of South Myrtle Street; thence south $89^{\circ}59'17''$ east along the south right-of-way line of South Myrtle Street, a distance of 572.76 feet to the westerly right-of-way line of 7th Avenue South; thence south $00^{\circ}00'43''$ west along the west line of 7th Avenue South, a distance of 259.87 feet to the south right-of-way line of South Orchard Street and the north line of said Tract 21; thence south $89^{\circ}58'32''$ east along said right-of-way line, a distance of 16.06 feet; thence due south 70.70 feet; thence due west 38.84 feet;

thence south $0^{\circ}03'53''$ west, a distance of 129.70 feet to the north right-of-way line of South Garden Street and being the south line of said Tract 23; thence due west along said right-of-way line and south line of Tract 23, a distance of 227.84 feet to the true point of beginning; EXCEPT any portion thereof lying within Parcel B.

S.F. FORM



Form 438BFU
(Rev. May 1, 1942)

LENDER'S LOSS PAYABLE ENDORSEMENT

1. Loss or damage, if any, under this policy shall be paid to Security Pacific Bank Washington
1301 - 5th Avenue, Seattle, WA 98101

its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.

2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the lender while exercising active control and management of the property.

3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.

5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.

7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.

8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.

9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch at.....
or, if none be specified, at its head office at.....

Attached to Policy No. TBA of Aetna Casualty & Surety Co.

Issued to Manson Construction & Engineering Co.

Agency at Seattle, WA

Date May 4, 1990

Approved:

Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance.

H. E. Cook
Stanley T. Scott & Co.
H. E. Cook/dp

Agent.

**LENDER'S LOSS PAYABLE ENDORSEMENT**

1. Loss or damage, if any, under this policy shall be paid to Security Pacific Bank Washington
Specialized Industries Group, 1301 - 5th Avenue, Seattle, WA 98101

its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.

2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the lender while exercising active control and management of the property.

3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.

5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.

7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.

8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.

9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch at.....
 or, if none be specified, at its head office at.....

Attached to Policy No. 81ACM5829604 of Aetna Casualty & Surety Co.
 Issued to Othello Street Warehouse Corporation c/o Manson Construction & Engineering Co.
 Agency at Seattle, WA Date June 14, 1990

Approved:

Board of Fire Underwriters of the Pacific,
 California Bankers' Association,
 Committee on Insurance.

H. E. Cook
 H. E. Cook/dp

Agent.

AFTER RECORDING RETURN TO:
Security Pacific Bank
1110 Second Avenue
P.O. Box 3966, S03-4
Seattle, Washington, 98124-3966
Attn: Tina Vail

SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT
WITH ESTOPPEL CERTIFICATE

THIS AGREEMENT, made and entered into as of the ____ day of June, 1990, by and between MANSON CONSTRUCTION & ENGINEERING COMPANY, a Washington corporation ("Tenant") whose address is 5209 East Marginal Way, Seattle, Washington 98124, Attn: Glenn A. Edwards, and SECURITY PACIFIC BANK WASHINGTON, N.A. ("Lender"), whose address is 1110 Second Avenue, P.O. Box 3966, S03-4, Seattle, Washington 98124-3966.

RECITALS:

A. Lender has agreed to make a non-recourse mortgage loan ("Loan") to OTHELLO STREET WAREHOUSE COMPANY, a Washington corporation ("Borrower") in the amount of \$6,400,000.00, to be secured by a deed of trust ("Deed of Trust") on the real property ("Property") legally described on Exhibit "A" attached.

B. Tenant is the present lessee under a lease ("Lease") dated October 24, 1988, made by Othello Street Warehouse Corporation as landlord, demising all or a portion of the Property.

C. The Loan requires that Tenant subordinate the Lease and its interest in the Property to the lien of the Deed of Trust and that Tenant attorn to Lender.

D. In return, Lender is agreeable to not disturbing Tenant's possession of the portion of the Property covered by the Lease ("Premises"), so long as Tenant is not in default under the Lease;

NOW, THEREFORE, the parties hereby agree as follows:

1. Subordination. The Lease, and the rights of Tenant in, to and under the Lease and the Premises, are hereby subjected and subordinated, and shall remain in all respects and for all purposes subject and subordinate, to the lien of the Deed of Trust, and to any and all renewals, modifications and extensions, and any and all other instruments held by Lender as security for the Loan.

2. Tenant Not To Be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the Lease to cure such default) in the payment of rent or additional rent or

in the performance of any of the terms, covenants or conditions of the Lease (a) Tenant's possession of the Premises shall not be diminished or interfered with or disturbed by Lender during the term of the Lease or any extensions or renewals, and (b) Lender will not join Tenant as a defendant in any action or proceeding foreclosing the Deed of Trust unless such joinder is necessary to foreclose the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

3. Tenant To Attorn To Lender. If Lender shall become the owner of the Property of the Property is sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Property is transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Property and Tenant, and Tenant will attorn to Lender or any other such owner as its lessor. This attornment shall be effective and self-operative without the execution of any further instruments. Provided, however, that Lender or such other owner shall not be (a) liable for any act or omission of any prior lessor (including Borrower as lessor), or (b) subject to any offsets or defenses which Tenant might have against any such prior lessor, or (c) bound by any prepayment of rent or additional rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease, or (d) bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of any such prior lessor made or given without the written consent of Lender or any subsequent holder of the Deed of Trust. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or any such other owner that it has succeeded to Borrower's interest under the Lease.

4. Purchase Options. Any option or rights contained in the Lease, or otherwise existing, to acquire any or all the Property are subject and subordinate to the rights of Lender under the Deed of trust and any acquisition of any or all of the Property by Tenant during the term of the Deed of Trust shall be subordinate and subject to the Deed of Trust.

5. Lender's Option to Cure Borrower's Default. Tenant agrees that borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within 30 days after the receipt of such notice. Tenant further agrees not to invoke any of its remedies under the Lease until said 30 days have elapsed, or during any period that Lender is proceeding the cure such default with due diligence, or is diligently taking steps to obtain the right to enter the Premises and cure the default.

6. Assignment of Lease. Tenant acknowledges that the interest of Borrower in the Lease has been assigned to Lender as security under the Deed of Trust and that Lender assumes no duty,

liability or obligation under the Lease or any extension or renewal of the Lease, either by virtue of said assignment or by any subsequent receipt or collection of rents under the assignment, and that unless the written consent of Lender is first obtained, no cancellation, surrender or modification may be made of the Lease and no rental shall be paid other than as now provided in the Lease or in such modification of the Lease as may receive the written approval of Lender.

7. Rental Payments. Until such time as Tenant is otherwise notified in writing by Lender, it shall make all rental payments under the lease to Borrower as provided therein.

8. Successors and Assigns. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, administrators, representatives, successors and assigns.

9. Tenant hereby certifies the Lender that:

- (a) The Lease is dated October 24, 1988, is in full force and effect, and has not been modified, changed, altered or amended except as follows:

_____;

- (b) The Lease term commenced on November 1, 1988, and terminates on October 31, 1998;
- (c) Tenant has taken possession the demised premises and has accepted the same. The improvements described in the Lease have been constructed in accordance with the plans and specifications and are accepted by Tenant;
- (d) The minimum monthly rent is \$41,667.00, and Tenant has made no agreements concerning free rent, partial rent, rebate of rental payments or any other type of rental concessions;
- (e) Tenant agrees not to cancel, modify, assign, renew, extend or prepay more than one (1) month's rent without Lender's prior written consent;
- (f) Tenant knows of no uncured default by Borrower [as landlord] under the Lease;
- (g) Tenant does not have an option to purchase the Property, nor does it have a right of first refusal or any other right to acquire the Property at any time.

"LENDER"

SECURITY PACIFIC BANK WASHINGTON, N.A.

By: _____

Its: _____

"TENANT"

MANSON CONSTRUCTION & ENGINEERING
COMPANY, a Washington corporation

By: _____

It's _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this _____ day of June, 1990, before me personally appeared _____, to me known to be the _____ of Security Pacific National Bank Washington, N.A., that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said banking association, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

Notary Public in and for the State
of _____, residing at _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this _____ day of June, 1990, before me personally appeared _____, to me known to be the _____, of MANSON CONSTRUCTION & ENGINEERING COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument, and that the seal affixed (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

Notary Public in and for the State
of _____, residing at _____
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

PARCEL A:

Those portions of the abandoned beds of the Duwamish River lying within the northeast quarter of the southwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

TOGETHER WITH those portions of Tracts 19 and 20, Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, and all being more particularly described as follows;

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'25''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north margin of South Othello Street, as dedicated in said plat; thence north $89^{\circ}58'57''$ west along said right-of-way, 477.56 feet to the southwest corner of said Tract 20 and the true point of beginning; thence south $20^{\circ}44'33''$ east, a distance of 53.47 feet to the northwest corner of Tract 16 of said plat; thence south $10^{\circ}03'29''$ west, a distance of 38.93 feet to the easterly margin of Commercial Waterway District No. 1 and the most westerly corner of Tract 16; thence north $49^{\circ}00'00''$ west along said easterly margin, 65.71 feet to a point of intersection of Commercial Waterway District No. 1 margin; thence continuing along said easterly margin north $43^{\circ}32'00''$ west, a distance of 365.49 feet to the south line of South Garden Street projected westerly; thence along said projection line and the south margin of South Garden Street and the north line of said Tracts 19 and 20 east, a distance of 369.87 feet to a point on a line that is 700.00 feet west of and parallel with the east line of Tract 17 of said plat; thence south $0^{\circ}08'57''$ east, a distance of 219.78 feet to the north margin of South Othello Street and the south line of said Tract 20; thence north $89^{\circ}58'57''$ west, a distance of 81.24 feet along said margin to the true point of beginning;

(BEING KNOWN AS Lot A of Lot Line Adjustment Number 8708120, as recorded under Recording Number 8809140174).

PARCEL B:

Those portions of the northeast quarter of the southwest quarter and the southeast quarter of the northwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

(legal description, continued)

LEGAL DESCRIPTION, continued:

TOGETHER WITH those portions of the abandoned beds of the Duwamish River lying within said quarter sections;

TOGETHER WITH that portion of South Orchard Street, as vacated under Ordinance Number 50034;

TOGETHER WITH those portions of Lots 9 and 10, Block 7, and Tracts 21, 22 and 23 of the Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, all being more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2256.41 feet to a point on the north margin of South Garden Street, as dedicated in said plat, said point being the true point of beginning; thence west along said margin, 353.23 feet; thence south $00^{\circ}00'00''$ east, a distance of 60.00 feet; thence west along the south margin of Garden Street projected 418.36 feet to a point on the easterly margin of the Commercial Waterway District No. 1; thence north $43^{\circ}32'00''$ west along said easterly margin, 717.91 feet to a point on the south margin of South Myrtle Street produced westerly as deeded to the City of Seattle by deed recorded under Recording Number 833369; thence south $89^{\circ}59'17''$ east along said south margin, 228.47 feet; thence north $63^{\circ}10'07''$ east, a distance of 88.58 feet to the centerline of South Myrtle Street; thence south $48^{\circ}57'17''$ east, a distance of 60.93 feet to the south margin of South Myrtle Street produced westerly and the northwest corner of a tract of land deeded under Recording Number 2733678; thence south $89^{\circ}59'17''$ east along said south margin, 581.76 feet to the westerly margin of 7th Avenue South; thence south $0^{\circ}00'43''$ west along said west margin, 259.87 feet to the south margin of South Orchard Street; thence continuing south $0^{\circ}00'43''$ west, a distance of 70.71 feet; thence west, a distance of 22.76 feet; thence south $0^{\circ}03'53''$ west, a distance of 124.71 feet to a point that is 5.00 feet north of the north margin of South Garden Street; thence east on a line that is parallel with said north margin, 401.93 feet the east line of the west 10 feet of Lot 9, Block 7 of said plat; thence south $0^{\circ}08'57''$ east along said east line, 5.00 feet to the north margin of South Garden Street; thence west, a distance of 48.28 feet to the true point of beginning.

(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL D:

Lots 1 through 5, inclusive, Block 7, Plat of Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, lying within the Northwest quarter of the southeast quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington, more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2,256.41 feet to a point on the north right-of-way line of South Garden Street;
thence due East along said right-of-way, a distance of 298.28 feet, and the true point of beginning;
thence north $0^{\circ}08'57''$ west along said right-of-way line to the south right of way line of South Orchard Street, a distance of 200.14 feet;
thence north $89^{\circ}58'32''$ west along said right-of-way line, a distance of 100.00 feet;
thence south $0^{\circ}08'57''$ east to the north right-of-way line of South Garden Street, a distance of 200.18 feet;
thence due east along said right-of-way line to the true point of beginning, a distance of 100.00 feet.

(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL E:

A perpetual easement for rail ingress and egress as granted in instruments recorded under Recording Numbers 8208130666, 8212100106 and 8212100107, said easement being appurtenant to that portion of Parcel B, more particularly described as follows:

Commencing at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north right-of-way line of South Othello Street, as dedicated in said plat of Duwamish Industrial Addition and the south line of Tract 18; thence north $89^{\circ}58'57''$ west, a distance of 477.56 feet along said right-of-way line to the southwest corner of Tract 20 of said Duwamish Industrial Addition; thence north $20^{\circ}44'33''$ west along the west line of said Tract 20, a distance of 234.98 feet to the south right-of-way line of South Garden Street; thence north $14^{\circ}58'53''$ west, a distance of 62.11 feet to the north right-of-way line of said South Garden Street, and the southwest corner of said Tract 23, and being the true point of beginning; thence due west on the extension of the south line of said Tract 23, a distance of 35.93 feet; thence north $32^{\circ}39'30''$ west, 380.00 feet; thence north $60^{\circ}33'54''$ west, 16.60 feet; thence north $30^{\circ}14'49''$ west, 132.00 feet; thence north $0^{\circ}00'43''$ east, 18.29 feet to the south right-of-way line of South Myrtle Street; thence south $89^{\circ}59'17''$ east along the south right-of-way line of South Myrtle Street, a distance of 572.76 feet to the westerly right-of-way line of 7th Avenue South; thence south $00^{\circ}00'43''$ west along the west line of 7th Avenue South, a distance of 259.87 feet to the south right-of-way line of South Orchard Street and the north line of said Tract 21; thence south $89^{\circ}58'32''$ east along said right-of-way line, a distance of 16.06 feet; thence due south 70.70 feet; thence due west 38.84 feet;

thence south $0^{\circ}03'53''$ west, a distance of 129.70 feet to the north right-of-way line of South Garden Street and being the south line of said Tract 23; thence due west along said right-of-way line and south line of Tract 23, a distance of 227.84 feet to the true point of beginning; EXCEPT any portion thereof lying within Parcel B.

OCT 24 1 43 PM '88

AFTER RECORDING RETURN TO:
Rainier National Bank
1110 Second Avenue
P. O. Box 3966, SO4-4
Seattle, Washington 98124-3966
Attn: Tina Vail

88/10/24 #0916 A
RECD F 12.00
CASHSL ***12.00
55

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, made and entered into as of the 24th day of October, 1988, by and between MANSON CONSTRUCTION & ENGINEERING COMPANY, a Washington corporation ("Tenant") whose address is 5209 East Marginal Way, Seattle, Washington 98124, Attn: Glenn A. Edwards, and RAINIER NATIONAL BANK, a national banking association ("Lender"), whose address is 1110 Second Avenue, P.O. Box 3966, SO4-4, Seattle, Washington 98124-3966.

RECITALS:

A. Lender has agreed to make a non-recourse mortgage loan ("Loan") to OTHELLO STREET WAREHOUSE COMPANY, a Washington corporation ("Borrower") in the amount of \$6,400,000.00, to be secured by a deed of trust ("Deed of Trust") on the real property ("Property") legally described on Exhibit "A" attached.

B. Tenant is the present lessee under a lease ("Lease") dated October 24, 1988, made by Othello Street Warehouse Corporation as landlord, demising all or a portion of the Property.

C. The Loan requires that Tenant subordinate the Lease and its interest in the Property to the lien of the Deed of Trust and that Tenant attorn to Lender.

D. In return, Lender is agreeable to not disturbing Tenant's possession of the portion of the Property covered by the Lease ("Premises"), so long as Tenant is not in default under the Lease;

NOW, THEREFORE, the parties hereby agree as follows:

1. Subordination. The Lease, and the rights of Tenant in, to and under the Lease and the Premises, are hereby subjected and subordinated, and shall remain in all respects and for all purposes subject and subordinate, to the lien of the Deed of Trust, and to any and all renewals, modifications and extensions, and any and all other instruments held by Lender as security for the Loan.

2. Tenant Not To Be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the

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Filed by Stewart Title (5)
71266-6

Lease to cure such default) in the payment of rent or additional rent or in the performance of any of the terms, covenants or conditions of the Lease (a) Tenant's possession of the Premises shall not be diminished or interfered with or disturbed by Lender during the term of the Lease or any extensions or renewals, and (b) Lender will not join Tenant as a defendant in any action or proceeding foreclosing the Deed of Trust unless such joinder is necessary to foreclose the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

8810240916

3. Tenant To Attorn To Lender. If Lender shall become the owner of the Property or the Property is sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Property is transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Property and Tenant, and Tenant will attorn to Lender or any other such owner as its lessor. This attornment shall be effective and self-operative without the execution of any further instruments. Provided, however, that Lender or such other owner shall not be (a) liable for any act or omission of any prior lessor (including Borrower as lessor), or (b) subject to any offsets or defenses which Tenant might have against any such prior lessor, or (c) bound by any prepayment of rent or additional rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease, or (d) bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of any such prior lessor made or given without the written consent of Lender or any subsequent holder of the Deed of Trust. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or any such other owner that it has succeeded to Borrower's interest under the Lease.

4. Purchase Options. Any option or rights contained in the Lease, or otherwise existing, to acquire any or all of the Property are subject and subordinate to the rights of Lender under the Deed of Trust and any acquisition of any or all of the Property by Tenant during the term of the Deed of Trust shall be subordinate and subject to the Deed of Trust.

5. Lender's Option to Cure Borrower's Default. Tenant agrees that Borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within 30 days after the receipt of such notice. Tenant further agrees not to invoke any of its remedies under the Lease until said 30 days have elapsed, or during any period that Lender is proceeding to cure such default with due diligence, or is diligently taking steps to obtain the right to enter the Premises and cure the default.

act and deed of said banking association, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

Norman J. Smith
Notary Public in and for the State
of Wash, residing at Seattle
My Commission Expires: 6/19/91

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 21st day of October, 1988, before me personally appeared Glen P. Edwards, to me known to be the President, of MANSON CONSTRUCTION & ENGINEERING COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument, and that the seal affixed (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day and year first above written.

Theresa P. McCormick
Notary Public in and for the State
of Washington, residing at Seattle
My Appointment Expires: 1-1-89

EXHIBIT A

LEGAL DESCRIPTION

PARCEL A:

Those portions of the abandoned beds of the Duwamish River lying within the northeast quarter of the southwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

TOGETHER WITH those portions of Tracts 19 and 20, Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, and all being more particularly described as follows;

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north margin of South Othello Street, as dedicated in said plat; thence north $89^{\circ}58'57''$ west along said right-of-way, 477.56 feet to the southwest corner of said Tract 20 and the true point of beginning; thence south $20^{\circ}44'33''$ east, a distance of 53.47 feet to the northwest corner of Tract 16 of said plat; thence south $10^{\circ}03'29''$ west, a distance of 38.93 feet to the easterly margin of Commercial Waterway District No. 1 and the most westerly corner of Tract 16; thence north $49^{\circ}00'00''$ west along said easterly margin, 63.71 feet to a point of intersection of Commercial Waterway District No. 1 margin; thence continuing along said easterly margin north $43^{\circ}32'00''$ west, a distance of 365.49 feet to the south line of South Garden Street projected westerly; thence along said projection line and the south margin of South Garden Street and the north line of said Tracts 19 and 20 east, a distance of 369.87 feet to a point on a line that is 700.00 feet west of and parallel with the east line of Tract 17 of said plat; thence south $0^{\circ}08'57''$ east, a distance of 219.78 feet to the north margin of South Othello Street and the south line of said Tract 20; thence north $89^{\circ}58'57''$ west, a distance of 81.24 feet along said margin to the true point of beginning;

(BEING KNOWN AS Lot A of Lot Line Adjustment Number 8708120, as recorded under Recording Number 8809140174).

PARCEL B:

Those portions of the northeast quarter of the southwest quarter and the southeast quarter of the northwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

(legal description, continued)

8810240916

LEGAL DESCRIPTION, continued:

TOGETHER WITH those portions of the abandoned beds of the Duwamish River lying within said quarter sections;

TOGETHER WITH that portion of South Orchard Street, as vacated under Ordinance Number 50034;

TOGETHER WITH those portions of Lots 9 and 10, Block 7, and Tracts 21, 22 and 23 of the Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, all being more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2256.41 feet to a point on the north margin of South Garden Street, as dedicated in said plat, said point being the true point of beginning; thence west along said margin, 353.23 feet; thence south $00^{\circ}00'00''$ east, a distance of 60.00 feet; thence west along the south margin of Garden Street projected 418.36 feet to a point on the easterly margin of the Commercial Waterway District No. 1; thence north $43^{\circ}32'00''$ west along said easterly margin, 717.91 feet to a point on the south margin of South Myrtle Street produced westerly as deeded to the City of Seattle by deed recorded under Recording Number 833369; thence south $89^{\circ}59'17''$ east along said south margin, 228.47 feet; thence north $63^{\circ}10'07''$ east, a distance of 88.58 feet to the centerline of South Myrtle Street; thence south $48^{\circ}57'17''$ east, a distance of 60.93 feet to the south margin of South Myrtle Street produced westerly and the northwest corner of a tract of land deeded under Recording Number 2733678; thence south $89^{\circ}59'17''$ east along said south margin, 581.76 feet to the westerly margin of 7th Avenue South; thence south $0^{\circ}00'43''$ west along said west margin, 259.87 feet to the south margin of South Orchard Street; thence continuing south $0^{\circ}00'43''$ west, a distance of 70.71 feet; thence west, a distance of 22.76 feet; thence south $0^{\circ}03'53''$ west, a distance of 124.71 feet to a point that is 5.00 feet north of the north margin of South Garden Street; thence east on a line that is parallel with said north margin, 401.93 feet the east line of the west 10 feet of Lot 9, Block 7 of said plat; thence south $0^{\circ}08'57''$ east along said east line, 5.00 feet to the north margin of South Garden Street; thence west, a distance of 48.28 feet to the true point of beginning.

(legal description, continued)

8810240916

LEGAL DESCRIPTION, continued:

PARCEL D:

Lots 1 through 5, inclusive, Block 7, Plat of Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, lying within the Northwest quarter of the southeast quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington, more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2,256.41 feet to a point on the north right-of-way line of South Garden Street; thence due East along said right-of-way, a distance of 298.28 feet, and the true point of beginning; thence north $0^{\circ}08'57''$ west along said right-of-way line to the south right of way line of South Orchard Street, a distance of 200.14 feet; thence north $89^{\circ}58'32''$ west along said right-of-way line, a distance of 100.00 feet; thence south $0^{\circ}08'57''$ east to the north right-of-way line of South Garden Street, a distance of 200.18 feet; thence due east along said right-of-way line to the true point of beginning, a distance of 100.00 feet.

(legal description, continued)

8810240916

LEGAL DESCRIPTION, continued:

PARCEL E:

A perpetual easement for rail ingress and egress as granted in instruments recorded under Recording Numbers 8208130666, 8212100106 and 8212100107, said easement being appurtenant to that portion of Parcel B, more particularly described as follows:

Commencing at the south quarter section corner of said Section 29; thence north 0°57'26" east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north right-of-way line of South Othello Street, as dedicated in said plat of Duwamish Industrial Addition and the south line of Tract 18; thence north 89°58'57" west, a distance of 477.56 feet along said right-of-way line to the southwest corner of Tract 20 of said Duwamish Industrial Addition; thence north 20°44'33" west along the west line of said Tract 20, a distance of 234.98 feet to the south right-of-way line of South Garden Street; thence north 14°58'53" west, a distance of 62.11 feet to the north right-of-way line of said South Garden Street, and the southwest corner of said Tract 23, and being the true point of beginning; thence due west on the extension of the south line of said Tract 23, a distance of 35.93 feet; thence north 32°39'30" west, 380.00 feet; thence north 60°33'54" west, 16.60 feet; thence north 30°14'49" west, 132.00 feet; thence north 0°00'43" east, 18.29 feet to the south right-of-way line of South Myrtle Street; thence south 89°59'17" east along the south right-of-way line of South Myrtle Street, a distance of 572.76 feet to the westerly right-of-way line of 7th Avenue South; thence south 00°00'43" west along the west line of 7th Avenue South, a distance of 259.87 feet to the south right-of-way line of South Orchard Street and the north line of said Tract 21; thence south 89°58'32" east along said right-of-way line, a distance of 16.06 feet; thence due south 70.70 feet; thence due west 38.84 feet;

thence south 0°03'53" west, a distance of 129.70 feet to the north right-of-way line of South Garden Street and being the south line of said Tract 23; thence due west along said right-of-way line and south line of Tract 23, a distance of 227.84 feet to the true point of beginning; EXCEPT any portion thereof lying within Parcel B.

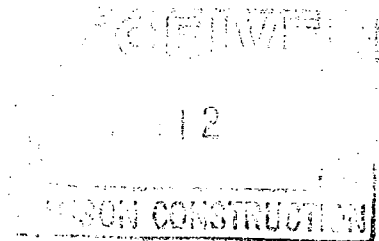
8810240916

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

June 7, 1989

Mr. Dan Dolmseth
Manson Construction & Engineering Company
P.O. Box 24067
Seattle, Washington
U.S.A. 98124



Dear Sirs:

Re: 1989 Property Taxes
Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C

Thank you for providing our office with copies of the 1988 property tax statements for the above referenced.

We require however, copies of the 1989 property tax statements together with a copy of your cancelled cheque for the payment rendered on April 30, 1989.

In order to ensure our files are current with respect to the property taxes on this property and as Manson Construction pays these costs directly to the taxing authority, we would appreciate receiving copies of all transactions relative to this expense.

Thank you in advance for your attention to this matter.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation

Margaret Gellatly
Property Administrator

/mg

*sent
B.L.*

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

October 10, 1989

Mr. Dan Dolmseth
Manson Construction & Engineering Company
P.O. Box 24067
Seattle, Washington
USA 98124

Dear Sirs:

Re: 1989 Property Taxes

Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C

In reference to the above, please confirm in writing when the final payment has been made.

We would appreciate receiving either a receipted copy from the tax department or a copy of your cancelled cheque.

Thank you for your attention to this matter.

Yours very truly,

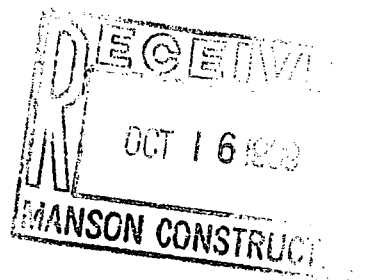
MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation



Margaret Haggerty
Property Administrator

MH:dp

check #
411501

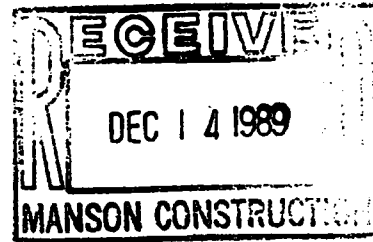


gloria

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

December 11, 1989



Manson Construction & Engineering Co.
P.O. Box 24067
Seattle, Washington
U.S.A. 98124

Attention: Mr. Dan Dolmseth

Dear Sirs:

Re: Rent for Yard 2 Dock Area

We enclose herewith our cheque #1030 in the amount of \$6,440.00 covering rental for the above referenced, paid to us in error by Pacific Terminals.

Should you have any further questions regarding monies due from Pacific Terminals, please contact them directly.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation

A handwritten signature in cursive script, appearing to read "Margaret Haggerty".

Margaret Haggerty
Property Administrator

MH:hh

Encl.

cc: Pacific Terminals Ltd.

81005

OTHELLO STREET WAREHOUSE CORPORATION

1999 MARINE DRIVE SUITE 200 - 623-1752
NORTH VANCOUVER, B.C. V7P3J3

1030

PAY
TO THE
ORDER OF

MANSON CONSTRUCTION COMPANY

December 4 19 89

19-3
1250

\$ 6,440.00

THE SUM 6440 DOLS 00 CTS

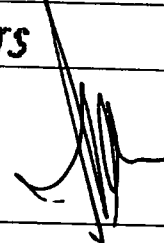
DOLLARS


RAINIERBANK

A SECURITY PACIFIC COMPANY

Second & Spring Office - P.O. Box C34028
Seattle, Washington 98124

FOR Refund of Rent paid from Pacific
Terminals in error




& Company

INSURANCE BROKERS & RISK MANAGEMENT

EDWIN C. McRORY
CPCU, ARM, PRESIDENT

January 30, 1989

Manson Construction
5209 East Marginal Way S.
Seattle, WA 98124

RE: Othello St. Warehouse Corporation - Great American Ins. Co.
#PAC 0879005

Attn: Don Dolmseth

A loss control inspection has been made by Great American Insurance Co. and the following recommendations have been made:

601 S. Myrtle (Not currently rated as sprinklered)

1. Poor maintenance evidenced by broken windows and lack of maintenance of sprinkler system.

The sprinkler system could reduce rates if it were repaired and brought up to standard and properly maintained.

2. Portable heating units being used in assembly area. Area has wood floors which are exposed to such units.
3. There is no alarm system, and access to risers is blocked. There is insufficient heat in area of pipe valves.

660 Othello Street (Rated as sprinklered)

1. There does not appear to be a maintenance contract on the sprinkler system.
2. The system is not properly designed for the current occupancy of high piled newsprint.
3. Spare sprinkler heads not available on premises.
4. Automatic sprinklers system should be on a regular maintenance program.
5. Central station alarm system should be installed.

1115 EASTLAKE AVENUE E., SEATTLE, WA 98109 (206) 682-9700 FAX (206) 343-9398

6. Loading area where trucks will be maneuvered should be made as level as possible to eliminate "chuck" holes and standing water.
7. A regular, periodic self-inspection program should be instituted to monitor housekeeping, control smoking, sustain control of hazards and insure adequate, reliable protection.
8. Crane - Othello Street Warehouse Corporation owns one of the two Cranes. It is our understanding you specifically insure the other as it is owned by your firm. We need to know the following as to the Othello's Crane plus the Dock:

Crane

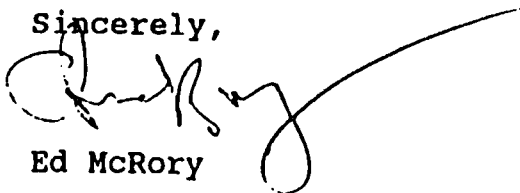
1. Value - Replacement Cost?
2. Who operates the crane?
3. How is crane used?
4. Lifting capacity?
5. What type of property is being lifted?
6. Is the crane anchored or movable?

Dock

1. Value - Replacement Cost?
 2. Does the crane sit on the dock? or is it separated?
 3. Is the construction all wood or does it include cement?
 4. Is the dock used for unloading paper for Seattle Times?
9. A certificate of Insurance showing Othello Street Warehouse Corporation as an additional insured under your current general liability policy.

I will be calling you shortly to discuss the above.

Sincerely,



Ed McRory

EM/cl

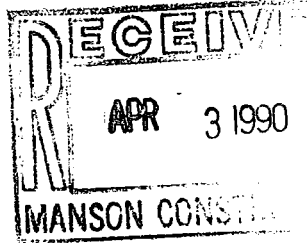
cc: c/o Thad Alston
Alston Courtnage
Mac Aulay & Proctor
1000 Second Ave. #3900
Seattle, WA 98104

Great American Insurance Co.
c/o Bob Chivers

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

March 29, 1990



Mr. Dan Dolmseth
Manson Construction & Engineering Company
P.O. Box 24067
Seattle, Washington
U.S.A. 98124

Dear Sirs:

Re: 1990 Property Taxes
Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C

In reference to the above noted, please forward our office copies of the 1990 property tax statements together with a copy of your cancelled cheque when paid on April 30, 1990.

Thank you for your prompt attention to the above request.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation

A handwritten signature in cursive script, appearing to read "Margaret Haggerty".

Margaret Haggerty
Property Administrator

/mh

Bobbs-
RS 500 178
DN



& Company

INSURANCE BROKERS & RISK MANAGEMENT

EDWIN C. McRORY
CPCU, ARM, PRESIDENT

April 4, 1990

RECEIVED APR 10 1990

Maple Leaf Property, Inc.
999 West Hastings, Suite 200
Vancouver, B. C. Canada V6C 2W2

Attention: ~~Norm~~ Laube *Bev.*

Re: Othello Street Warehouse Corporation
Great American Policy PAC 0879005

Dear Norm:

Attached is a copy of my January 30, 1989 letter to Manson Construction regarding the Company's Loss Control inspection of November 1988.

The Company advises they must have a response before April 28, 1990 in connection with the outstanding items at 601 S. Myrtle and 660 Othello Street.

Please contact the tenants and get back to us by April 25th.

Sincerely,

Edwin C. McRory

ECM:c

enc.

cc-Manson Construction



MANSON CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • TELEX 32-9513 • FAX 206-763-1232

April 10, 1990

Maple Leaf Property Management
Second Floor
999 West Hastings Street
Vancouver, B.C., CANADA V6C 2W2

Attention: Margaret Haggerty

Subject: 1990 Property Taxes
Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C

Sir/Madam:

As per your request, please find enclosed the 1990 property tax statements on the above noted properties. Also, please find enclosed copies of official valuation change notices for the above noted properties.

After payment of the taxes on April 30, I will forward a copy of the cancelled check when it has cleared the bank.

Very truly yours,
MANSON CONSTRUCTION & ENGINEERING CO.

Roberta Lorenz
Contract Compliance

/rjl

cc: Dolmseth

enc.



Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

April 18, 1990

MASON CONSTRUCTION & ENGINEERING COMPANY
P.O. Box 24067
Seattle, Washington 98124

APR 24 1990

MASON CONSTRUCTION

Attention: Dan Dolmseth
Chief Financial Officer/Comptroller

Dear Sirs:

RE: 601 South Myrtle Street

We have received a letter (copy enclosed) from our insurers, McRory & Company, regarding deficiencies they are requesting be attended to.

Under the terms of your lease agreement you are responsible for rectifying these items. We ask that you have the broken windows repaired, the sprinkler system inspected and tested and access to the risers provided no later than April 30, 1990.

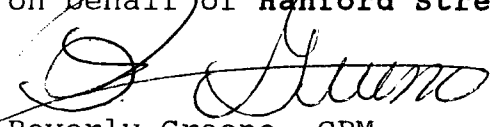
The other requests will require alternative solutions being looked into and we request you advise us of the progress no later than the noted date.

Would you also provide us with any information you may have on the crane and dock alluded to in McRory & Company's letter.

Thank you for your attention to these matters. Should you have any questions please do not hesitate to contact the writer.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Hanford Street Warehouse Corporation


Beverly Greene, CPM
Property Manager

BG:dh

Enclosure

cc: Edwin C. McRory
McRory & Company



CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • TELEX 32-9513 • FAX 206-763-1232

June 13, 1990

Maple Leaf Property Management Inc.
Second Floor, 999 West Hastings Street
Vancouver, B.C., Canada V6C 2W2

Attention: Margaret Haggerty
Property Administrator

Reference: 1990 Property Taxes
Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C

Dear Sir/Madam:

Per your request of March 29, 1990, please find enclosed a copy of cancelled check 47090 in the amount of \$51,925.88 dated April 30, 1990. The first payment of taxes on the above referenced properties are included in this check.

Very truly yours,
MANSON CONSTRUCTION & ENGINEERING CO.

Roberta Lorenz
Contract Compliance

\rjl

enc.



THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER



CONSTRUCTION & ENGINEERING CO.



66-798
531

047090

P.O. BOX 24062

SEATTLE, WASHINGTON 98104

225-0700 - TOL - 00 - E373NO

DATE

CHECK NO.

AMOUNT

5-10-90

47090

\$51,925.88

PAY King County
TO THE Finance Department
ORDER 500 Fourth Avenue
OF Seattle, WA 98104-2387

Manson \$51,925.88cts

MANSON CONSTRUCTION & ENGINEERING CO.

SECURITY PACIFIC BANK WASHINGTON • DISBURSEMENT ACCOUNT
NORTH CAROLINA BANK OF NORTH CAROLINA • ASHEVILLE, NORTH CAROLINA

508082199

AUTHORIZED REPRESENTATIVE

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

0005192588

MY '90 08

SEAFIRST BR
800 5 AVE FL3
SEATTLE WA →1250
00024←

FOR DEPOSIT ONLY
TO
KING COUNTY
FINANCE

053000076 30-0020-6

0530000020-6
7/10/99 08/24/99 149-05-10-90

40682693

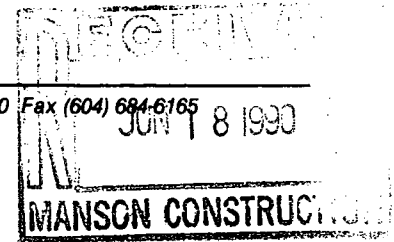
573500 9076 050890

420074003005

VIEWER

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165



June 14, 1990

VIA FAX #763-1232

FAXED
June 14/90

Manson Construction & Engineering Co.
P.O. Box 24067
Seattle, Washington
U.S.A. 98124

Attention: Mr. Dan Dolmseth

Dear Sirs:

Re: Your Premises - Othello Street Warehouse

Thank you for affording our office a copy of your current insurance policy declaration. Upon a review of this document, we note the loss payees are insufficient to the Landlord.

1) Article 9.5 of your lease provides for any and all endorsements and or provisions required by the Landlord and or Mortgagee. We hereby request the loss payees to be named on your insurance policy as follows:

- a) Rainier Bank
1100 Second Avenue
Seattle, Washington
- b) Othello Street Warehouse Corporation
c/o Maple Leaf Property Management Inc.
#230 - 999 West Hastings Street
Vancouver, British Columbia

Please ensure the above items are added to your insurance policy forthwith. A copy of the amendment and the standard policy declaration form must be received in our offices no later than July 14, 1990, confirming these coverages.

....2/

Manson Construction & Engineering Co.
June 14, 1990
Page 2

Your earliest possible attention to the above requested items would be appreciated.

Thank you.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation

A handwritten signature in cursive script, reading "Margaret Haggerty".

Margaret Haggerty
Property Administrator

/mh

cc: Stanley T. Scott, Inc.

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

June 15, 1990

VIA FAX #763-1232

FAXED
June 15/90

Manson Construction & Engineering Co.
P.O. Box 24067
Seattle, Washington
U.S.A. 98124

Attention: Mr. Dan Dolmseth

Dear Sirs:

Re: Your Premises - 601 South Myrtle Street
Othello Street Warehouse

RECEIVED
JUN 18 1990
MANSON CONSTRUCTION

Pursuant to our letter of April 18, 1990, relative to deficiencies you are required to complete as per the loss control inspection performed by Great American Insurance Company, to date we have not received confirmation from Manson Construction & Engineering Co. that these items have been attended to.

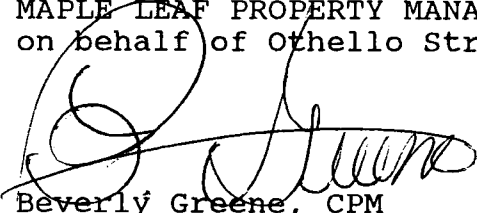
As provided in the appropriate articles of your lease, these items are the sole responsibility of Manson Construction & Engineering Co.

In order to ensure you are not in breach of your lease agreement, please have your written confirmation that the items have been attended to delivered to our office forthwith.

Your immediate attention to the above is hereby requested.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation


Beverly Greene, CPM
Property Manager

BG/mh
cc: McRory & Company

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

TO: Mr. Max Dalmat DATE: June 18/90
LOCATION: Mason Construction

FAX NUMBER: 206-763-1232 NUMBER OF PAGES: 2
(Including cover sheet)

FROM: LARCO INVESTMENTS INC. TELEPHONE: (604) 684-3330
2nd Flr, 999 W. Hastings FAX NUMBER: (604) 684-6165
Vancouver, B.C.
V6C 2W2 FROM: *[Signature]*

COMMENTS:

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

June 15, 1990

VIA FAX #763-1232

Manson Construction & Engineering Co.
P.O. Box 24067
Seattle, Washington
U.S.A. 98124

Attention: Mr. Dan Dolmseth

Dear Sirs:

Re: Your Premises - 601 South Myrtle Street
Othello Street Warehouse

Pursuant to our letter of April 18, 1990, relative to deficiencies you are required to complete as per the loss control inspection performed by Great American Insurance Company, to date we have not received confirmation from Manson Construction & Engineering Co. that these items have been attended to.

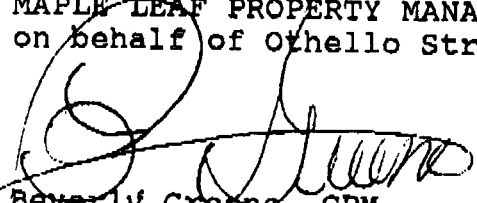
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Your immediate attention to the above is hereby requested.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation



Beverly Greene, CPM
Property Manager

BG/mh
cc: McRory & Company

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

July 27, 1990

*called
8/3 11:30 A.
4:00 P.*

MASON CONSTRUCTION & ENGINEERING COMPANY
P.O. Box 24067
Seattle, Washington
98124

Attention: Daniel J. Dolmseth
Chief Financial Officer/Comptroller

Dear Sirs:

Re: 601 South Myrtle Street

In reference to your July 18, 1990 letter, it would seem that there is some disagreement regarding the requirements of McRory & Co.

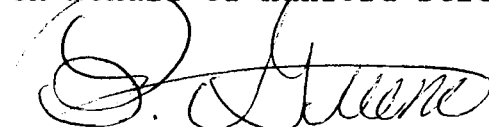
McRory & Co. protect the Owner's interest in your building and as you feel their concerns are not valid, by copy of this letter, we are requesting they again correspond with you and your insurance company.

We would remind you that you are a tenant and as such are required to perform certain duties under your lease agreement. Should McRory & Co. determine that the Landlord's interests in your building are compromised by these outstanding items and therefore, require rectifying, we insist that you attend to them as promptly as possible.

Thank you for your anticipated cooperation.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of **Hanford Street Warehouse Corporation**



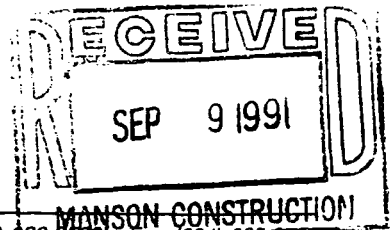
Beverly Greene, CPM
Property Manager

BG:dh

cc: Edwin C. McRory (with enclosure)
McRory & Company

NOT RECORDED
AUG 3
MASON CONSTRUCTION

FYI



Maple Leaf Property Management Inc.

Third Floor, Kapilano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-2500 • Fax (604) 923-2739

September 3, 1991

Via Fax #206-763-1232

FAXED
Sept 3/91

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, Washington
U.S.A. 98124

Attention: Mr. Dan Dolmseth

Dear Sirs:

Re: Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C
1991 Property Taxes

In reference to the above noted, we have received copies of the 1991 property tax statements as requested in our letter of February 26, 1991. However, we have not received a copy of your cancelled cheque confirming the April 30, 1991 payment was made.

As the final one half payment is to be made on October 31, 1991, would you please ensure we receive copies of your cancelled cheques for both April and October no later than November 30, 1991.

Your attention to the above is greatly appreciated.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation

Margaret Haggerty
Margaret Haggerty
Accounts Receivable

/mh

Maple Leaf Property Management Inc.

Third Floor, Kapilano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

January 8, 1992

Reference: 0830-30-0001-01

MANSON CONSTRUCTION AND
ENGINEERING COMPANY
P. O. BOX 24067
SEATTLE, WASHINGTON
U.S.A. 98124-0067

Dear Sirs:

Re: Rental Arrears
Unit 0001, OTHELLO STREET WAREHOUSE

To date, our records indicate your rental account is outstanding in the amount of \$ 55,555.35.

In order to bring your account into current status, would you please ensure your cheque of \$ 55,555.35 is delivered to our offices upon receipt of this letter.

If your records do not agree with ours, please contact our office so we may clarify any discrepancies. If payment has been sent, please disregard this notice.

Thank you for your immediate attention to the above.

Yours truly,

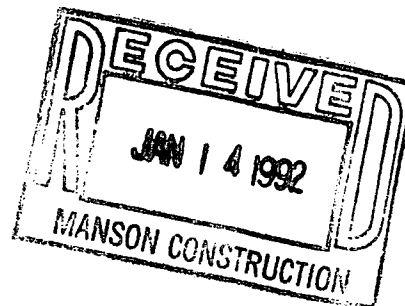
MAPLE LEAF PROPERTY MANAGEMENT INC.



Christina Loevens, BAC, CSWC
Accounts Receivable

/mh

cc: Mr. Norman Laube



Maple Leaf Property Management Inc.

Third Floor, Kapilano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 17, 1992

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, Washington
U.S.A 98124

Attention : Mr. Dan Dolmseth

Reference : Property Tax Accounts : 292404-9089-00 Parcel A
213620-0706-06 Parcel B

Dear Sir/Madam :

Please find enclosed the property tax statements that correspond to Parcel "A" and "B", as noted above. It appears that they were inadvertently sent to our lawyer's office. There is now no need for you to send us copies of these statements however we will still require copies of the cancelled cheques when the three statements are paid, both in April and October of 1992.

I thank you, again, in advance for your cooperation and your earliest possible attention to this matter.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.

On behalf of Othello Street Warehouse Corporation


Mark Schipperhein
Senior Accountant

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

FAX COVER SHEET

TO: Mr. Alan Delmonico DATE: June 15/90

LOCATION: Thomson Construction

FAX NUMBER: 206-763-1232 NUMBER OF PAGES: 2
(Including cover sheet)

FROM: LARCO INVESTMENTS INC. TELEPHONE: (604) 684-3330
2nd Flr, 999 W. Hastings FAX NUMBER: (604) 684-6165
Vancouver, B.C.
V6C 2W2 FROM: *W. J. [Signature]*

COMMENTS:

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

June 15, 1990

VIA FAX #763-1232

Manson Construction & Engineering Co.
P.O. Box 24067
Seattle, Washington
U.S.A. 98124

Attention: Mr. Dan Dolmseth

Dear Sirs:

Re: Your Premises - 601 South Myrtle Street
Othello Street Warehouse

Pursuant to our letter of April 18, 1990, relative to deficiencies you are required to complete as per the loss control inspection performed by Great American Insurance Company, to date we have not received confirmation from Manson Construction & Engineering Co. that these items have been attended to.

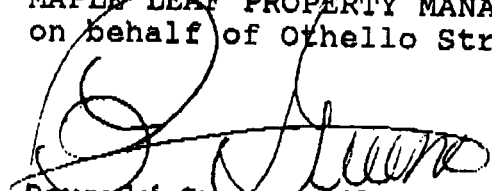
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In order to ensure you are not in breach of your lease agreement, please have your written confirmation that the items have been attended to delivered to our office forthwith.

Your immediate attention to the above is hereby requested.

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation



Beverly Greene, CPM
Property Manager

BG/mh
cc: McRory & Company

201/20/02 21120 2004 020 2100 MAPLE LEAF PROP. 0003/003

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal - West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2799

August 19, 1992

Via Fax # (206) 763-1232

MANSON CONSTRUCTION & ENGINEERING CO.
P.O. Box 24067
Seattle, Washington
98126-0067

FAXED
302

Attention: Mr. Daniel Dolmseth

Dear Sirs:

Re: Rental Increase at Othello Street Property

Enclosed please find the first two (2) pages of your Lease on the above noted property which outlines when and how the rental will increase during the Lease Term. The Lease calls for the rent to be adjusted effective November 1, 1992. A copy of the Consumer Price Index for the Seattle/Tacoma Metropolitan Area for the calendar years 1990 and 1991 is enclosed for your reference.

The CPI change in 1990 was 7.4%. According to the Lease the change for any given year must be not less than 4% nor greater than 8%, therefore, the change in 1990 would be 7.4%. The change in 1991 was 5.8% and therefore, the rental change should be based upon this 5.8%.

To determine the rent payable from November 1992 to October 31, 1994, one multiplies the previous rent of \$45,370.36 x 1.074% = \$48,727.77 and then multiplies \$48,727.77 x 1.058% = \$51,553.98.

Please ensure that commencing with your November 1, 1992 payment that the monthly rent provided is \$51,553.98.

Should you have any questions with the above or require further clarification please give me a call.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation


Norman Laube, B.Comm., R.I. (B.C.), CPM
Manager, Industrial Properties

NL:pkt
Encl.

cc: Christina Loevens
Accounts Receivable & Collections

TRAC (CPT)
SUN 11/22/92
B...

Maple Leaf Property Management Inc.

Third Floor, Kapilano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

FAX COVER SHEET

TO: Don Holmseth DATE: Oct. 15/92

COMPANY: Manson Construct.
Seattle, WA.

FAX NUMBER: (206) 763-9948 NUMBER OF PAGES: 3
(Including cover sheet)

FROM: MAPLE LEAF PROPERTY MANAGEMENT INC.
Third Floor, 100 Park Royal
West Vancouver, B.C. Canada V7T 1A2

Telephone: (604) 926-9500
Fax Number: (604) 925-2739

PER: Chris Lowery

COMMENTS: _____

Re: Rental Increase Effective
NOVEMBER 1, 1992

THE ORIGINAL OF THIS FAX WILL BE:

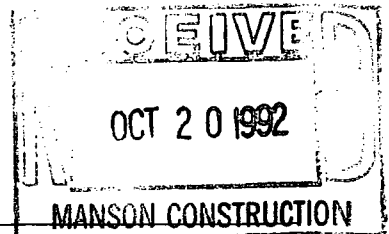
 Mailed to you

☐ Sent to you by courier

[] Placed in our file

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739



October 15, 1992

FAX: (206) 763-9948

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, WA.
U.S.A. 98124-0067

REF: 830-30-1-1

Attention: Mr. Dan Dolmseth

Gentlemen:

RE: RENTAL INCREASE EFFECTIVE NOVEMBER 1, 1992
(OTHELLO STREET WAREHOUSE)


Further to Mr. Laube's letter of August 19, 1992 (copy enclosed), please be reminded that effective November 1, 1992 the monthly rental charges for your premises at the Othello Street Warehouse will be \$ 51,553.98.

Please ensure your records are amended accordingly.

If you have any inquiries, do not hesitate to contact the undersigned.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation


C. Loevens, BAC, CSWC
Accounts Receivable
/cl

Encl.

CC: B. Greene

*LOEBE-
1 Spoke w/
C. Loevens about CFI
Backup → LOEBE NO
LONGER WORKS THERE
Dan*

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

August 19, 1992

Via Fax #(206) 763-1232

MANSON CONSTRUCTION & ENGINEERING CO.
P.O. Box 24067
Seattle, Washington
98126-0067

FAXED
302
on
ff

Attention: Mr. Daniel Dolmseth

Dear Sirs:

Re: Rental Increase at Othello Street Property

Enclosed please find the first two (2) pages of your Lease on the above noted property which outlines when and how the rental will increase during the Lease Term. The Lease calls for the rent to be adjusted effective November 1, 1992. A copy of the Consumer Price Index for the Seattle/Tacoma Metropolitan Area for the calendar years 1990 and 1991 is enclosed for your reference.

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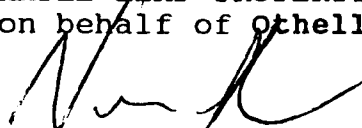
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Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation

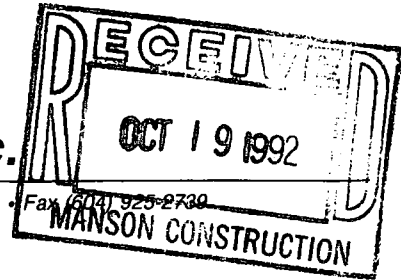

Norman Laube, B.Comm., R.I.(B.C.), CPM
Manager, Industrial Properties

NL:pkt
Encl.

cc: Christina Loevens
Accounts Receivable & Collections

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 926-2738



October 15, 1992

FAX: (206) 763-9948

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, WA.
U.S.A. 98124-0067

REF: 830-30-1-1

Attention: Mr. Dan Dolmseth

Gentlemen:

RE: PROPERTY TAX ACCOUNTS - MANSON CONSTRUCTION
(OTHELLO STREET WAREHOUSE)

As per our previous letters, we have not received the requested copies as proof of your payment for the first half of the 1992 property taxes. The second half of the 1992 property taxes is due October 31, 1992.

Please forward the receipted copies of property tax statements for 1992 (April 30th and October 31st portions) on:

Parcel A	Account # 292404-9089-00
Parcel B	Account # 213620-0706-06
Parcel C	Account # 213620-0375-06

to the undersigned, by return, without fail.

Anticipating your prompt compliance, we remain,

Yours very truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation

A handwritten signature in cursive script, appearing to read "C. Loevens", followed by a horizontal line.

C. Loevens, BAC, CSWC
Accounts Receivable
/cl

CC: A. Duffield
B. Greene

A handwritten signature in cursive script, appearing to read "B. Greene", with a horizontal line underneath.

Maple Leaf Property Management Inc.

Third Floor, Kapilano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

FAX COVER SHEET

TO:

Daniel Holmseth

DATE:

August 19/92

COMPANY:

Manson Construction

FAX NUMBER:

(206) 763-1232

NUMBER OF PAGES:
(Including cover sheet)

5

FROM:

MAPLE LEAF PROPERTY MANAGEMENT INC.
Third Floor, 100 Park Royal
West Vancouver, B.C. Canada V7T 1A2

Telephone: (604) 926-9500
Fax Number: (604) 925-2739

PER:

Norman Juler

COMMENTS:

THE ORIGINAL OF THIS FAX WILL BE:

☐ Mailed to you

☐ Sent to you by courier

☒ Placed in our file

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

August 19, 1992

Via Fax #(206) 763-1232

MANSON CONSTRUCTION & ENGINEERING CO.
P.O. Box 24067
Seattle, Washington
98126-0067

Attention: Mr. Daniel Dolmseth

Dear Sirs:

Re: Rental Increase at Othello Street Property

Enclosed please find the first two (2) pages of your Lease on the above noted property which outlines when and how the rental will increase during the Lease Term. The Lease calls for the rent to be adjusted effective November 1, 1992. A copy of the Consumer Price Index for the Seattle/Tacoma Metropolitan Area for the calendar years 1990 and 1991 is enclosed for your reference.

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Should you have any questions with the above or require further clarification please give me a call.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation


Norman Laube, B.Comm., R.I.(B.C.), CPM
Manager, Industrial Properties

NL:pkt
Encl.

cc: Christina Loevens
Accounts Receivable & Collections

LEASE AGREEMENT

THIS LEASE, made on October 24, 1988, between Othello Street Warehouse Corporation, a Washington corporation ("Landlord") and Manson Construction & Engineering Co., a Washington corporation ("Tenant"). Landlord and Tenant agree as follows.

Recitals.

A. Landlord is acquiring the improved real property, including the crane, located in Seattle, King County, Washington, which is described in Exhibit A ("Premises").

B. Landlord is willing to lease the Premises to Tenant and Tenant is willing to lease the Premises from Landlord pursuant to the terms of this Lease.

1. Lease.

Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Lease, AS-IS.

2. Term and Extensions.

2.1 This Lease shall be for a term of ten (10) years, commencing on the 1st day of November, 1988, and expiring at 11:59 P.M. on October 31, 1998 ("Initial Lease Term"). Tenant shall also occupy the Premises from the date of this Lease until the Commencement date for a daily rental of \$1,344.10.

2.2 "Lease Year" shall mean a period of twelve (12) calendar months, commencing on the first day of November and ending on the last day of October at 11:59 P.M.

2.3 Tenant shall have two options to extend the Initial Lease Term, each for a period of five (5) Lease Years. In each case, if Tenant exercises an option to extend, Tenant shall provide written notice of extension to Landlord prior to the commencement of the then last Lease Year of the Initial Lease Term or extended Initial Lease Term. Any and all of Tenant's options to extend shall automatically terminate if not exercised in strict accordance with the terms of this Paragraph or if Tenant is in default pursuant to this Lease and fails to cure the default within any permitted cure period. Tenant's second option

to extend shall automatically terminate if Tenant fails to exercise its first option to extend.

2.4 "Lease Term" shall mean the Initial Lease Term as the same may be extended by Tenant pursuant to Paragraph 2.3.

3. Monthly Rent, Late Charges and Interest.

3.1 From the commencement date of this Lease ("Commencement Date") until the end of the second Lease Year, Tenant shall pay Landlord a fixed monthly rent of Forty-One Thousand Six Hundred Sixty-Seven Dollars (\$41,667).

3.2 The fixed monthly rent payable during the previous two calendar years shall be increased on the first day of the third Lease Year, the fifth Lease Year, the seventh Lease Year and the ninth Lease Year, (and if Tenant further extends the Initial Lease Term every two Lease Years thereafter), by the percentage increase in the Consumer Price Index during the previous two (2) calendar years. Irrespective of the actual change in the Consumer Price Index, each increase in the monthly rent shall be no less than four percent (4%) for any calendar year and no more than eight percent (8%) for any calendar year, compounded annually. "Consumer Price Index" shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, All Items for All Urban Consumers, 1967 = 100, for the Seattle-Tacoma Metropolitan Area. If publication of the Consumer Price Index is discontinued or the Consumer Price Index is no longer published at the end of each calendar year, the parties shall make such adjustments as may be reasonably required to effectuate the intention of the parties or accept comparable statistics on the cost of living as computed and published by an agency of the United States or by a responsible financial periodical of recognized authority mutually agreed to by the parties. If the parties do not agree upon such adjustments or the selection of a substitute index on or before the tenth (10th) business day after demand by either party, the adjustment or substitute index shall, on application of either party, be made by the chief officer of the Seattle office of the Bureau of Labor Statistics or its successor. If the chief officer fails to make the adjustment or selection within thirty (30) days of the application of either party, the adjustment or selection shall be made in arbitration in accordance with the then prevailing rules of the American Arbitration Association.

08/14/88

CPI-L

UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS
CONSUMER PRICE INDEX, ALL ITEMS, 1982=84=100

SEATTLE-TACOMA

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL AVERAGE
1971		37.6			37.9			38.5			38.8		38.2
1972		39.0			39.0			39.3			39.8		39.3
1973		40.4			41.4			42.3			43.1		41.8
1974		44.5			45.7			46.9			48.5		46.4
1975		49.8			50.7			51.6			52.4		51.1
1976		53.0			53.3			54.4			55.1		54.0
1977		56.2			57.8			59.1			59.9		58.0
1978	60.4		61.4		63.5		63.9		65.9		66.8		63.9
1979	66.3		67.9		69.7		71.3		73.0		74.7		71.0
1980	77.4		80.3		81.9		83.7		84.7		86.1		82.7
1981	86.9		88.3		90.1		92.6		94.7		94.9		91.8
1982	97.1		96.2		98.8		97.3		99.1		97.6		97.7
1983	97.6		97.7		98.7		99.7		103.5		100.7		99.3
1984	101.3		101.3		102.7		103.1		103.8		104.4		103.0
1985	104.8		105.4		105.3		105.6		105.6		106.2		105.6
1986	107.3		108.6		106.1		106.2		107.0		106.9		106.7

Table of over-the-year % increases. An entry for Jan. 1982 indicates the percentage increase from Jan. 1981 to Jan. 1982.

1972		3.7		2.9		1.6		3.1		2.9
1973		3.6		6.2		7.6		8.3		6.4
1974		10.1		10.4		10.9		12.5		11.0
1975		11.9		10.9		10.9		8.8		10.1
1976		6.4		5.1		5.4		5.2		5.7
1977		6.0		8.4		8.6		8.7		8.0
1978				9.9				11.5		9.6
1979	9.8		10.6		9.8		11.6		10.8	11.8
1980	16.7		17.8		17.5		17.4		16.0	15.3
1981	12.3		11.1		10.0		10.6		11.8	10.2
1982	11.7		8.2		9.7		5.1		4.6	2.8
1983	0.5		1.6		-0.1		2.5		1.4	3.2
1984	3.8		4.2		4.4		3.4		3.3	3.7
1985	3.5		3.5		2.3		2.4		1.7	1.8
1986	2.4		1.1		0.8		0.6		1.3	2.6

SEMI-ANNUAL AVERAGE				OVER-THE-YEAR PERCENT CHANGE			
YEAR	1st Half	2nd Half	ANNUAL AVERAGE	YEAR	1st Half	2nd Half	ANNUAL AVERAGE
1984	102.1	103.9	103.0	1984			
1985	105.2	106.0	105.6	1985	3.0	2.0	2.5
1986	106.6	106.7	106.7	1986	1.3	0.7	1.0
1987	108.2	110.3	109.2	1987	1.5	3.4	2.3
1988	111.9	113.6	112.8	1988	3.4	3.2	3.3
1989	116.7	119.6	118.1	1989	4.3	5.1	4.7
1990	124.2	129.4	126.8	1990	6.4	8.2	7.4
1991	132.0	135.2	134.1	1991	7.1	4.5	5.8
1992	137.8			1992	3.6		

(See reverse side for CPI for Urban Wage Earners and Clerical Workers)

000000/0005

LEAF PAGE 2060231/52-

MAILED

SENT BY: ALSTON COURTNAGE ET AL: 8-27-91 : 10:58

Maple Leaf Property Management Inc.

Third Floor, Kapilano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

FAX COVER SHEET

TO: DAN DOLMSETH DATE: 17 JAN 92

COMPANY: MANSON CONSTRUCTION

FAX NUMBER: 206 763 -1232 NUMBER OF PAGES: 9
(Including cover sheet)

FROM: MAPLE LEAF PROPERTY MANAGEMENT INC.
Third Floor, Kapilano 100
100 Park Royal
West Vancouver, B.C. Canada V7T 1A2

Telephone: (604) 926-9500
Fax Number: (604) 925-2739

PER: NORMAN LAUBE

COMMENTS: AS REQUESTED INCLUDED PLEASE FIND
THE FOLLOWING:

- ① PAGES 1 + 2 OF YOUR LEASE DETAILING
HOW RENT INCREASE IS CALCULATED
- ② MY LETTER OF AUGUST 28/91 EXPLAINING
NEW RENT CALCULATION
- ③ AUGUST 27/91 LETTER FROM OUR ATTORNEY,
THAD ALSTON EXPLAINING CPI INCREASE
TOGETHER WITH CPI STATISTICS AND
EXPLANATION.

WE LOOK FORWARD TO RECEIVING THE \$55,555.³⁵
BY NO LATER THAN FRIDAY, JANUARY 24, 1992.

THE ORIGINAL OF THIS FAX WILL BE:

☐ Mailed to you

☐ Sent to you by courier

☒ Placed in our file

LEASE AGREEMENT

THIS LEASE, made on October 24, 1988, between Othello Street Warehouse Corporation, a Washington corporation ("Landlord") and Manson Construction & Engineering Co., a Washington corporation ("Tenant"). Landlord and Tenant agree as follows.

Recitals.

A. Landlord is acquiring the improved real property, including the crane, located in Seattle, King County, Washington, which is described in Exhibit A ("Premises").

B. Landlord is willing to lease the Premises to Tenant and Tenant is willing to lease the Premises from Landlord pursuant to the terms of this Lease.

1. Lease.

Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Lease, AS-IS.

2. Term and Extensions.

2.1 This Lease shall be for a term of ten (10) years, commencing on the 1st day of November, 1988, and expiring at 11:59 P.M. on October 31, 1998 ("Initial Lease Term"). Tenant shall also occupy the Premises from the date of this Lease until the Commencement date for a daily rental of \$1,344.10.

2.2 "Lease Year" shall mean a period of twelve (12) calendar months, commencing on the first day of November and ending on the last day of October at 11:59 P.M.

2.3 Tenant shall have two options to extend the Initial Lease Term, each for a period of five (5) Lease Years. In each case, if Tenant exercises an option to extend, Tenant shall provide written notice of extension to Landlord prior to the commencement of the then last Lease Year of the Initial Lease Term or extended Initial Lease Term. Any and all of Tenant's options to extend shall automatically terminate if not exercised in strict accordance with the terms of this Paragraph or if Tenant is in default pursuant to this Lease and fails to cure the default within any permitted cure period. Tenant's second option

to extend shall automatically terminate if Tenant fails to exercise its first option to extend.

2.4 "Lease Term" shall mean the Initial Lease Term as the same may be extended by Tenant pursuant to Paragraph 2.3.

3. Monthly Rent, Late Charges and Interest.

3.1 From the commencement date of this Lease ("Commencement Date") until the end of the second Lease Year, Tenant shall pay Landlord a fixed monthly rent of Forty-One Thousand Six Hundred Sixty-Seven Dollars (\$41,667).

3.2 The fixed monthly rent payable during the previous two calendar years shall be increased on the first day of the third Lease Year, the fifth Lease Year, the seventh Lease Year and the ninth Lease Year, (and if Tenant further extends the Initial Lease Term every two Lease Years thereafter), by the percentage increase in the Consumer Price Index during the previous two (2) calendar years. Irrespective of the actual change in the Consumer Price Index, each increase in the monthly rent shall be no less than four percent (4%) for any calendar year and no more than eight percent (8%) for any calendar year, compounded annually. "Consumer Price Index" shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, All Items for All Urban Consumers, 1967 = 100, for the Seattle-Tacoma Metropolitan Area. If publication of the Consumer Price Index is discontinued or the Consumer Price Index is no longer published at the end of each calendar year, the parties shall make such adjustments as may be reasonably required to effectuate the intention of the parties or accept comparable statistics on the cost of living as computed and published by an agency of the United States or by a responsible financial periodical of recognized authority mutually agreed to by the parties. If the parties do not agree upon such adjustments or the selection of a substitute index on or before the tenth (10th) business day after demand by either party, the adjustment or substitute index shall, on application of either party, be made by the chief officer of the Seattle office of the Bureau of Labor Statistics or its successor. If the chief officer fails to make the adjustment or selection within thirty (30) days of the application of either party, the adjustment or selection shall be made in arbitration in accordance with the then prevailing rules of the American Arbitration Association.

FILE COPY

Maple Leaf Property Management Inc.

Third Floor, Kaplano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

FAXED
Aug 28/91
JH

August 28, 1991

Via Fax # (206) 763-1232

MANSON CONSTRUCTION & ENGINEERING CO.
P.O. Box 24067
Seattle, Washington
98126-0067

Attention: Mr. Daniel Dolmseth

Dear Sirs:

Re: Rental Increase at Othello Street Property

Enclosed please find the first two (2) pages of your Lease on the above noted property which outlines when and how the rental will increase during the Lease Term. The Lease calls for the rent to have increased effective November 1, 1990. We have now had an opportunity to obtain the Consumer Price Index for the Seattle/Tacoma Metropolitan Area for the calendar years 1988 and 1989, a copy of which is enclosed.

The CPI change in 1988 was 3.3%. According to the Lease the change for any given year must be not less than 4%, therefore, the change in 1988 would be based upon 4%. The change in 1989 was 4.7% and therefore the rental change should be based upon this 4.7%.

To determine the rent payable from November 1990 to October 31, 1992, one multiplies the previous rent of \$41,667.00 x 1.04 = \$43,333.68 and then multiplies \$43,333.68 x 1.047% = \$45,370.36.

Your rent effective November 1, 1990 should therefore have been \$45,370.36. Since you have been paying us the old amount of \$41,667.00 since November 1990 there has been a shortfall of \$3,703.36 per month from November 1990 through August 1991. To bring your account into a current status you therefore must pay the shortfall arrears of \$3,703.36 x 10 months which is equal to \$37,033.60.

As well, please ensure that commencing with your September 1991 payment that the monthly rent provided is \$45,370.36.

...../2

Mr. Daniel Dolmseth
MANSON CONSTRUCTION & ENGINEERING CO.
Page 2
August 28, 1991

Should you have any questions with the above or require further clarification please do not hesitate to contact the writer.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation



Norman Laube, B.Comm., R.I.(B.C.), CPM
Manager, Industrial Properties

NL:pkt
Encl.

cc: Margaret Haggerty

LAW OFFICES OF
ALSTON, COURTNAGE, MACAULAY & PROCTOR

SUITE 3900 - KEY TOWER
1000 SECOND AVENUE
SEATTLE, WASHINGTON 98104-1054

THADDAS L. ALSTON
MICHAEL S. COURTNAGE
ROBERT C. MACAULAY
CONSTANCE L. PROCTOR
ANDREW B. BASSETT
DENISE D. WIEST
MARION S. VORACH

TELEPHONE
(206) 623-7600
TELECOPIER
(206) 623-1752

August 27, 1991

1029/140

VIA FAX

Norman Laube
Larco Investments Ltd.
Third Floor, Kapilano 100
100 Park Royal
West Vancouver, B.C. V7T 1A2
CANADA

Larco Re: Manson

Dear Mr. Laube:

Enclosed are statistics and materials regarding the Consumer Price Index for Seattle-Tacoma.

The increase in rent for the applicable Lease Year is based upon the change in the CPI for the previous Calendar Years, compounded annually, with a minimum of 4% and a maximum of 8% per year.

For the Manson Lease, the rent payable from November, 1990 to October 31, 1992 is based upon the change in the CPI during calendar years 1988 and 1989.

The change in 1988 was 3.3%; therefore, the change is based upon 4%. The change in 1989 was 4.7%; therefore, the change is based upon 4.7%.

To determine the rent payable from November, 1990 to October 31, 1992, one multiplies \$41,667 times 1.04 = \$43,333.68 and then multiplies \$43,333.68 times 1.047 = \$45,370.36.

For the Pacific Terminals Lease, the rent payable from January 1, 1991 to December 31, 1992 is based upon the change in the CPI during calendar years 1990 and 1989.

The change in 1990 was 7.4%; therefore the change is based upon 7.4%. The change in 1989 was 4.7%; therefore the change is based upon 4.7%.

SENT BY:ALSTON COURTNAGE ET AL: 8-27-91 : 10:57 ;

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604 925 2701: # 3

ALSTON, COURTNAGE, MACAULAY & PROCTOR

Norman Lauba
August 27, 1991
Page 2

To determine the rent payable from January 1, 1991 to December 31, 1992, one multiplies \$30,940 times 7.4 = \$33,229.56 and then multiplies \$33,229.56 times 4.7 = \$34,791.35.

Please let me know if you disagree with these calculations.

Very truly yours,

ALSTON, COURTNAGE, MACAULAY & PROCTOR

TLA Alston

Thaddas L. Alston

TLA/as
enclosures

$30,940 \times 4.7\% = 32,229.56$
 $32,229.56 \times 2.0\% = 34,791.35$

08/14/91

UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS
CONSUMER PRICE INDEX, ALL ITEMS, 1982=84=100

CPI-U

SEATTLE-TACOMA

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL AVERAGE
1971		37.6			37.9			38.5			38.6		38.2
1972		39.0			39.0			39.3			39.8		39.3
1973		40.4			41.4			42.3			43.1		41.8
1974		44.5			45.7			46.9			48.5		46.4
1975		49.8			50.7			51.6			52.4		51.1
1976		53.0			53.3			54.4			55.1		54.0
1977		56.2			57.8			59.1			59.9		58.0
1978	60.4		61.4		63.5		63.9		65.9		66.8		63.9
1979	66.3		67.3		69.7		71.3		73.0		74.7		71.0
1980	77.4		80.0		81.9		83.7		84.7		86.1		82.7
1981	88.9		88.9		90.1		92.6		94.7		94.9		91.8
1982	97.1		96.2		98.8		97.3		99.1		97.6		97.7
1983	97.6		97.7		98.7		99.7		100.5		100.7		99.3
1984	101.3		101.3		102.7		103.1		103.8		104.4		103.0
1985	104.8		105.4		105.3		105.6		105.6		106.3		105.6
1986	107.3		106.6		106.1		106.2		107.0		106.9		106.7

Table of over-the-year % increases. An entry for Jan. 1982 indicates the percentage increase from Jan. 1981 to Jan. 1982.

1972	3.7		2.9		1.8		3.1		2.9
1973	3.6		6.2		7.6		8.3		6.4
1974	10.1		10.4		10.9		12.5		11.0
1975	11.9		10.9		10.0		8.0		10.1
1976	6.4		5.1		5.4		5.2		5.7
1977	6.0		8.4		6.6		8.7		9.0
1978			3.9				11.5		9.6
1979	9.8	10.6	8.8		11.6	10.8	11.8		11.1
1980	16.7	17.8	17.5		17.4	16.0	15.3		15.5
1981	12.3	13.1	10.0		10.6	11.8	10.2		11.0
1982	11.7	8.2	9.7		5.1	4.6	2.8		6.4
1983	0.5	1.6	-0.1		2.5	1.4	3.2		1.6
1984	3.8	4.2	4.7		3.4	3.3	3.7		3.7
1985	3.5	3.5	2.3		2.4	1.7	1.8		2.5
1986	2.4	1.1	0.8		0.6	1.3	0.6		1.0

SEMI-ANNUAL AVERAGE				OVER-THE-YEAR PERCENT CHANGE			
YEAR	1st Half	2nd Half	ANNUAL AVERAGE	YEAR	1st Half	2nd Half	ANNUAL AVERAGE
1984	102.1	103.9	103.0	1994			
1985	105.2	106.0	105.6	1995	3.0	2.0	2.5
1986	106.6	106.7	106.7	1996	1.3	0.7	1.0
1987	108.2	110.3	109.2	1997	1.5	3.4	2.3
1988	111.9	113.8	112.8	1998	3.4	3.2	3.3
1989	116.7	119.6	118.1	1999	4.3	5.1	4.7
1990	124.2	129.4	126.8	1990	6.4	8.2	7.4
1991	133.0			1991	7.1		

(See reverse side for CPI for Urban Wage Earners and Clerical Workers)

604 925 2701:4

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10:58

8-27-91

SENT BY:ALSTON COURTNAGE ET AL:

SENT BY:ALSTON COURTNAGE ET AL: 8-27-91 : 10:58 :

2066231752-

604 925 2701: 5

Technical Notes

RECEIVED

AUG 27 1991

ALSTON, COURTNAGE,
MACAULAY & PROCTOR

Brief Explanation of the CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPI's for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 80 percent of the total population and (2), a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods that people buy for day-to-day living. Prices are collected in 85 urban areas across the country from about 57,000 housing units and approximately 19,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and services establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuel, and a few other items are obtained every month in all 85 locations. Prices of most other commodities and services are collected every month in the five largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives. Some data, such as used car prices, are obtained from secondary sources.

In calculating the index, price changes for the various items in each location are averaged together with weights which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Separate indexes are also published by size of city, by region of country, for cross-classifications of regions and population size classes, and for 29 local areas. Area indexes do not measure differences in the level of prices among cities, they only measure the average change in prices for each area since the base period.

The indexes measure price change from a designated reference date, 1982-84, which equals 100.0. An increase of 7 percent, for example, is shown as 107.0. This change can also be expressed in dollars as follows: The price of a base period "market basket" of goods and services in the CPI has risen from \$100 in 1982-84 to \$107.

For further details, see *BLS Handbook of Methods*, BLS Bulletin 2285, April 1986, and *The Consumer Price Index: 1987 Revision*, BLS Report 736, January 1987.

Calculating Index Changes

Movements of the indexes from one month to another are usually expressed as percent changes rather than changes in index points, because index point changes are affected by the level of the index in relation to its base period while percent changes are not. The example in the accompanying box illustrates the computation of index point and percent changes.

Anchorage, AK	(907)	271-2770
Honolulu, HI	(808)	541-2808
Los Angeles, CA	(213)	252-7528
Portland, OR	(503)	326-4132
San Diego, CA	(619)	557-6538
San Francisco, CA	(415)	744-6605
Seattle, WA	(206)	442-0645

Index Point Change

CPI	112.5
Less previous index	108.5
Equals index point change	4.0

Percent Change

Index point difference	4.0
Divided by the previous index	108.5
Equals	0.037
Results multiplied by one hundred	0.037 x 100
Equals percent change	3.7

Maple Leaf Property Management Inc.

Third Floor, Kapilano 100, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

FAX COVER SHEET

TO: Dan Delmseth DATE: Oct. 20/92
 COMPANY: Manson Construction
Seattle, WA.
 FAX NUMBER: (206) 763-9948 NUMBER OF PAGES: 2
 (Including cover sheet)

FROM: MAPLE LEAF PROPERTY MANAGEMENT INC.
 Third Floor, 100 Park Royal
 West Vancouver, B.C. Canada V7T 1A2

Telephone: (604) 926-9500
 Fax Number: (604) 925-2739

PER: Chris Louren

COMMENTS:

Further to our telephone conversation this
afternoon, follows copy of C.P.I. provided
by U.S. Dept. of Labour

(Apparently one was provided when
Mr. Laube wrote in August/92)

Trust this satisfies your inquiry.

THE ORIGINAL OF THIS FAX WILL BE:

☐ Mailed to you

☐ Sent to you by courier

☒ Placed in our file

08/14/81

UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS
CONSUMER PRICE INDEX, ALL ITEMS, 1982=84=100

CPI-U

SEATTLE-TACOMA

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS

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1971		37.6			37.9			38.5			38.8		38.2
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1973		40.4			41.4			42.3			43.1		41.2
1974		44.5			45.7			46.9			48.5		46.4
1975		49.8			50.7			51.6			52.4		51.1
1976		53.0			53.3			54.4			55.1		54.0
1977		58.2			57.0			59.1			59.9		58.3
1978	60.4		61.4		62.5		63.9		65.9		66.0		63.9
1979	66.3		67.3		69.7		71.3		73.0		74.7		71.0
1980	77.4		80.0		81.9		83.7		84.7		86.1		82.7
1981	86.9		88.9		90.1		92.6		94.7		94.9		91.8
1982	97.1		96.2		98.8		97.3		93.1		97.6		97.7
1983	97.6		97.7		98.7		99.7		103.5		100.7		99.3
1984	101.3		101.8		102.7		103.1		103.8		104.4		103.0
1985	104.8		105.4		105.3		105.8		105.6		106.2		105.6
1986	107.3		108.6		108.1		106.2		107.0		106.9		108.7

Table of over-the-year % increases. An entry for Jan. 1982 indicates the percentage increase from Jan. 1981 to Jan. 1982.

1972	3.7		2.9		1.8		3.1		2.9
1973	3.8		8.2		7.8		8.3		8.4
1974	10.1		10.4		10.9		12.5		11.0
1975	11.9		10.9		10.0		8.0		10.1
1976	8.4		5.1		5.4		5.2		5.7
1977	8.0		8.4		8.6		8.7		8.0
1978			9.3				11.5		9.6
1979	9.8	10.6	9.8		11.6		10.8		11.1
1980	16.7	17.8	17.5		17.4		18.0		18.5
1981	12.3	11.1	10.0		10.6		11.8		11.0
1982	11.7	8.2	9.7		6.1		4.6		8.4
1983	0.5	1.6	-0.1		2.5		1.4		3.2
1984	3.8	4.2	4.7		3.4		3.3		1.6
1985	3.5	3.5	2.5		2.4		1.7		3.7
1986	2.4	1.1	0.8		0.6		1.3		2.5

SEMI-ANNUAL AVERAGE

OVER-THE-YEAR PERCENT CHANGE

YEAR	1st Half	2nd Half	ANNUAL AVERAGE	YEAR	1st Half	2nd Half	ANNUAL AVERAGE
1984	102.1	103.9	103.0	1994			
1985	105.2	106.0	105.6	1995	3.0	2.0	2.5
1986	106.6	108.7	106.7	1996	1.3	0.7	1.0
1987	109.2	110.3	109.2	1997	1.5	3.4	2.3
1988	111.9	113.8	112.8	1998	3.4	3.2	3.3
1989	116.7	119.8	118.1	1999	4.3	5.1	4.7
1990	124.2	129.4	126.8	2000	6.4	8.2	7.3
1991	133.0	135.1	134.1	2001	7.1	4.5	5.8
1992	137.2			2002	3.6		

(See reverse side for CPI for Urban Wage Earners and Clerical Workers)

440002/0002
604 925 2701: #4

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BY:ALSTON COURTNAGE ET AL: 8-27-91 : 10:58

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 8, 1993

REF: 830-30-1-1

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, WA.
U.S.A. 98124-0067

Attention: Mr. D. Dolmseth

I N V O I C E

To charge interest charges per clause 3.6 (12% per annum) for
February 1993 rent (February 2 - March 5, 1993)

\$ 6,183.62 X 12% X $\frac{32}{365}$	65.06
--------------------------------------	-------

	<u>\$ 65.06</u>
--	-----------------

DUE AND PAYABLE UPON RECEIPT

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 8, 1993

REF: 830-30-1-1

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, WA.
U.S.A. 98124-0067

Attention: Mr. D. Dolmseth

I N V O I C E

To charge default penalty per clause 3.5 (5% of monthly rental)

\$ 51,553.98 X 5%

\$ 2,577.70

To charge interest charges per clause 3.6 (12% per annum) for
January 1993 (January 6, 1993 to March 5, 1993 inclusive)

\$ 51,553.98 X 12% X $\frac{5}{365}$

84.75

\$ 6,183.62 X 12% X $\frac{53}{365}$

107.75

\$ 2,770.20

DUE AND PAYABLE UPON RECEIPT

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 8, 1993

REF: 830-30-1-1

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, WA.
U.S.A. 98124-0067

Attention: Mr. D. Dolmseth

I N V O I C E

To charge interest charges per clause 3.6 (12% per annum) for
December 1992 rent (December 2, 1992 to March 5, 1993 inclusive)

\$ 6,183.62 X 12% X $\frac{94}{365}$	191.10
--------------------------------------	--------

	<u>\$ 191.10</u>
--	------------------

DUE AND PAYABLE UPON RECEIPT

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 8, 1993

REF: 830-30-1-1

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, WA.
U.S.A. 98124-0067

Attention: Mr. D. Dolmseth

I N V O I C E

To charge interest charges per clause 3.6 (12% per annum) for
November 1992 rent (November 17, 1992 to March 5, 1993 inclusive)

\$ 6,183.62 X 12% X $\frac{109}{365}$	221.59
---------------------------------------	--------

	<u>\$ 221.59</u>
--	------------------

DUE AND PAYABLE UPON RECEIPT

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 8, 1993

REF: 830-30-1-1

Manson Construction & Engineering Company
P.O. Box 24067
Seattle, WA.
U.S.A. 98124-0067

Attention: Mr. D. Dolmseth

Dear Sir:

RE: Manson Construction
(OTHELLO STREET WAREHOUSE)

As per your request, please find enclosed the detailed statement of charges paid by your cheque number 74231 for \$78,963.11.

As your March 1993 rent had been partial paid by your cheque number 73753 (\$45,370.36), we have applied the duplicate payment to the default penalty and interest charges as substantiated by the enclosed invoices.

There is, however, after the above-noted application, a credit balance on your account. Please issue your April 1993 payment in the amount of \$ 9,431.57, (\$51,553.98 - 42,122.41)

Subsequent payments will revert back to the previously quoted \$51,553.98 per month; unless &/or until you can prove, per your letter of March 5, 1993, an adjustment in the inflation factor is warranted.

Awaiting your research information, we remain,

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corp.



C. Loevens, BAC, CSWC
Collections Officer
/cl

Encl.

CC: B. Greene
A. Glazer

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

MANSON CONSTRUCTION

SUMMARY STATEMENT AS AT:

March 8, 1993

Balance forward from March 1, 1993 (see statement attached)	\$ 78,963.11
LESS: Payment received on Cheque # 73753	45,370.36CR.
Payment received on Cheque # 74231	<u>78,963.11CR.</u>
Subtotal	45,307.36CR.
Invoice for balance of November 1992 interest	221.59
Invoice for December 1992 interest	191.10
Invoice for January 1993 penalty & interest	2,770.20
Invoice for March 1993 interest	65.06
	<hr/>
TOTAL AS AT MARCH 8, 1993	\$ <u>42,122.41CR.</u>

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

MANSON CONSTRUCTION & ENGINEERING

MARCH 1, 1993:

Inv#	Inv Date	G/L Date	Refer	Tr Description	Amount	Balance
921110	Nov01/92	Nov01/92	RR9211	10 COMMERCIAL RENT	50,522.90	
		Nov10/92	920026	90 NOV/92 PAY	44,462.95-	6,059.95
921119	Nov01/92	Nov01/92	RR9211	19 ACCRUED MAINT. CHARG	1,031.08	
		Nov10/92	920026	90 NOV/92 PAY	907.41-	123.67
921166	Nov16/92	Nov16/92	RA0027	66 PENALTY FEE	2,577.70	2,577.70
921168	Nov16/92	Nov16/92	RA0028	68 INTEREST NOV/92	96.95	96.95
921210	Dec01/92	Dec01/92	RR9212	10 COMMERCIAL RENT	50,522.90	
		Dec01/92	920027	90 DEC/92 PAY	44,462.95-	6,059.95
921219	Dec01/92	Dec01/92	RR9212	19 ACCRUED MAINT. CHARG	1,031.08	
		Dec01/92	920027	90 DEC/92 PAY	907.41-	123.67
930110	Jan01/93	Jan01/93	RR9301	10 COMMERCIAL RENT	50,522.90	
		Jan11/93	930002	90 JAN/93 PAY	44,462.95-	6,059.95
930119	Jan01/93	Jan01/93	RR9301	19 ACCRUED MAINT. CHARG	1,031.08	
		Jan11/93	930002	90 JAN/93 PAY	907.41-	123.67
930210	Feb01/93	Feb01/93	RR9302	10 COMMERCIAL RENT	50,522.90	
		Feb04/93	930003	90 PAY FEB/93	44,462.95-	6,059.95
930219	Feb01/93	Feb01/93	RR9302	19 ACCRUED MAINT. CHARG	1,031.08	
		Feb04/93	930003	90 PAY FEB/93	907.41-	123.67
930310	Mar01/93	Mar01/93	RR9303	10 COMMERCIAL RENT	50,522.90	50,522.90
930319	Mar01/93	Mar01/93	RR9303	19 ACCRUED MAINT. CHARG	1,031.08	1,031.08

Current	51,553.98	60-89 days	6,183.62	Total A/R		78,963.11
30-59 days	6,183.62	Over 90 days	15,041.89			

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 30, 1993

MANSON CONSTRUCTION & ENGINEERING CO.

P.O. Box 24067
Seattle, Washington
98126-0067

Attention: Ms. Roberta Lorenz

Dear Sirs:


**Re: Change in Management
Seattle Properties**

Please be advised that Beverly Greene will be managing our Canadian commercial, residential and self storage properties only and therefore will no longer be handling queries relating to your tenancy. I will now be managing your building and look forward to overseeing your tenancy. Patrice Tanner, of our office, will continue to handle any day to day concerns that arise.

If you have any questions or comments please do not hesitate to call.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation


Doug Avis, M.B.A., R.I.(B.C.)
Manager, Industrial Properties

DA:pkt

Maple Leaf Property Management Inc.

Third Floor, 100 Park Royal • West Vancouver, B.C., Canada V7T 1A2 • (604) 926-9500 • Fax (604) 925-2739

March 30, 1993

MANSON CONSTRUCTION & ENGINEERING CO.
P.O. Box 24067
Seattle, Washington
98126-0067

Attention: Ms. Roberta Lorenz

Dear Sirs:

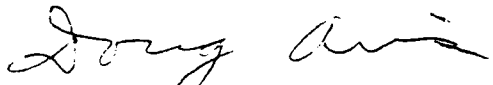
Re: Change in Maintenance
270 South Hanford Street
Seattle, Washington

Effective April 1, 1993 the maintenance of the above noted property will no longer be handled by John Boswell. Pentag, Inc., the janitorial contractors, will be maintaining the building on a regular basis, however, any problems or concerns should be directed to either Patrice Tanner, of our office, or to myself.

Should you have any questions, please do not hesitate to call.

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of **Othello Street Warehouse Corporation**


Doug Avis, M.B.A., R.I.(B.C.)
Manager, Industrial Properties

DA:pkt



CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WA 98124-0067
WA. CONSTRUCTION LICENSE #MA-NS-OC-E373NO • FAX (206) 763-1232

December 10, 1993

Ms. Patrice Tanner
Property Administrator
Maple Leaf Property Management Inc.
Third Floor, Kapilano 100
100 Park Royal
West Vancouver B.C., Canada V7T 1A2

Subject: 1993 Property Taxes
Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C

Dear Ms. Tanner:

Enclosed please find a copy of Manson Construction & Engineering Co.'s check number 80888 in the amount of \$49684.69 for payment of the second half of the 1993 property taxes.

Very truly yours,
MANSON CONSTRUCTION & ENGINEERING CO.

Roberta J. Lorenz
Insurance Administrator

/rjl

enclosure: check copy

LONG BEACH OFFICE
1605 Pier D Street
Long Beach, California 90802
Phone (310) 432-6918
Fax (310) 437-7032
California License # A-220319

SAN FRANCISCO OFFICE
1312 Canal Boulevard
Richmond, California 94804
Phone (510) 232-6319
Fax (510) 232-4528
California License # A-220319





CONSTRUCTION & ENGINEERING CO.



80888

P.O. BOX 24067

SEATTLE, WASHINGTON 98124

223-01 MAN - NS - OC - E373NO

Manson \$49,684.69's 69cts

DATE

CHECK NO.

AMOUNT

10/29/93

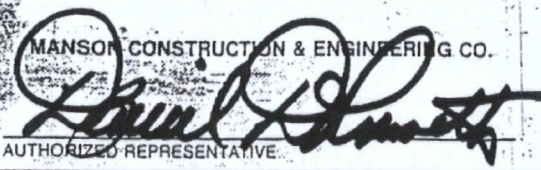
80888

\$49,684.69

PAY
TO THE
ORDER
OF

KING COUNTY FINANCE
500 4th ave #600
SEATTLE WA 98104-2340

MANSON CONSTRUCTION & ENGINEERING CO.

BY 
AUTHORIZED REPRESENTATIVE

FIRST UNION NATIONAL BANK
SEAFIRST BANK, BANKAMERICA CORP.

0000000000

FOR DEPOSIT ONLY - NO CASH PAYMENTS

05301-0020-0
05301-0020-0
05301-0020-0

SEAFIRST BK
800 S AVE FL
SEATTLE WA
00024
NO 93 01

PAID
PAID
PAID

11/03/93
0530000219

33276247



CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • TELEX 32-9513 • FAX 206-763-1232

December 19, 1989

Maple Leaf Property Management Inc.
Second Floor
999 - West Hastings Street
Vancouver, B.C.
CANADA V6C 2W2

Attention: Margaret Haggerty

Subject: 1989 Property Taxes
(b) (6)

Gentlepersons:

Enclosed please find a copy of cancelled check number 41501 payable to King County in payment of Manson Construction & Engineering's 1989 second-half property taxes. The above referenced parcels were included in this payment.

Very truly yours,

MANSON CONSTRUCTION & ENGINEERING CO.

Dan Dolmseth
Certified Financial Officer

rjl

enc.





CONSTRUCTION & ENGINEERING CO.



66-798
531

041501

P.O. BOX 24067

SEATTLE, WASHINGTON 98124

223-01 NA - NS - OC - E373NO

PAY
TO THE
ORDER
OF

King County
State of Washington
500 Fourth Avenue
Seattle, WA 98104-2387

SECURITY PACIFIC BANK WASHINGTON • DISBURSEMENT ACCOUNT
NCNB NATIONAL BANK OF NORTH CAROLINA • ASHEVILLE, NORTH CAROLINA

Manson \$54,164.75

CHECK NO.

AMOUNT

DATE

10-13-89

1501

\$54,164.75

MANSON CONSTRUCTION & ENGINEERING CO.

508033071

AUTHORIZED REPRESENTATIVE

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW



FOR DEPOSIT ONLY
TO
KING COUNTY
FINANCE

DEPOSIT BX
80 S AVE FLB
SEATTLE WA
98104-2387

NO 89 01

420074001801

072359 0244 110189

1871507507

11/83/

961000008

508033071

053070020-B

053070020-B

Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-6165

October 10, 1989

Mr. Dan Dolmseth
Manson Construction & Engineering Company
P.O. Box 24067
Seattle, Washington
USA 98124

Dear Sirs:

Re: 1989 Property Taxes

Tax Account #292404-9089-00	Parcel A
Tax Account #213620-0706-06	Parcel B
Tax Account #213620-0375-06	Parcel C

In reference to the above, please confirm in writing when the final payment has been made.

We would appreciate receiving either a receipted copy from the tax department or a copy of your cancelled cheque.

Thank you for your attention to this matter.

Yours very truly,

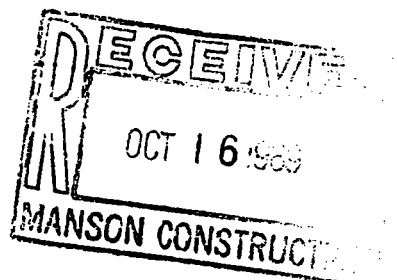
MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of Othello Street Warehouse Corporation



Margaret Haggerty
Property Administrator

MH:dp

check #
411501





CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • TELEX 32-9513 • FAX 206-763-1232

March 12, 1991

MAPLE LEAF PROPERTY MANAGEMENT INC.
Second Floor
999 West Hastings Street
Vancouver, B.C., CANADA V6C 2W2

Attention: Margaret Haggerty

Reference: Tax Account #292404-9089-00 Parcel A
Tax Account #213620-0706-06 Parcel B
Tax Account #213620-0375-06 Parcel C
1991 Property Taxes

Dear Sir/Madam:

Per your request, please find enclosed the 1991 property tax statements for the above referenced parcels.

Very truly yours,
MANSON CONSTRUCTION & ENGINEERING CO.

Roberta Lorenz
Insurance

\rjl
Encl.



Maple Leaf Property Management Inc.

Second Floor, 999 - West Hastings Street • Vancouver, B.C., Canada V6C 2W2 • (604) 684-3330 Fax (604) 684-2970

March 19, 1991

MANSON CONSTRUCTION & ENGINEERING CO.
P.O. Box 24067
Seattle, Washington
98126-0067

Attention: Ms. Roberta Lorenz

Dear Sirs:

Re: Change of Address and Management
Maple Leaf Property Management Inc.

We are pleased to announce the relocation of our offices effective March 25, 1991 as follows:

Third Floor, Kapilano 100
100 Park Royal
West Vancouver, B.C.
Canada V7T 1A2

Telephone: (604) 926-9500
Fax: (604) 925-2739


Kindly advise your accounting department with respect to rental payments so that payments are received at our new location by April 1, 1991 when due.

Please also be advised that as of March 1, 1991 Beverly Greene and Dene Hale will be managing our Canadian commercial and residential properties only and therefore, will no longer be handling queries relating to your tenancy. All future questions and/or concerns relating to your tenancy or property operations should be directed to:

Patrice Tanner, Property Administrator
Norman Laube, Manager, Industrial Properties

Yours truly,

MAPLE LEAF PROPERTY MANAGEMENT INC.
on behalf of **OTHELLO STREET WAREHOUSE CORPORATION**


Patrice Tanner
Property Administrator

:pkt



CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • TELEX 32-9513 • FAX 206-763-1232

April 9, 1990

City of Seattle Combined Utility
Dexter Horton Building
10th Floor
710 2nd Avenue
Seattle, WA

Sir/Madam:

On March 15 we requested an employee from your utility to come out and locate several of our services. Janet Pitts came and showed a representative of our firm the locations of several meters.

We now have concern that two of the meters do not belong to our company. 2042140 and 204112 are located at 657 South Myrtle Street across the street from our property. We would like verification of where and what they service. If you call Manson at 762-0854 and ask for Randy Thorson, he will be happy to help you.

If locating these services will interfere with any company in that area, please inform them before stopping or adjusting service.

Very truly yours,
MANSON CONSTRUCTION & ENGINEERING CO.

Lester Hillis
Vice President Operations

LH:rjl

cc: RT,file



Meter No.

1. Seattle City Light 497 S Myrtle St. 148591

2. Seattle Combined Utility ²⁰⁰⁷⁴
(sewer & water) 657 S Myrtle St. 204214

3. " ²⁰⁰⁷⁵ 2041112

4. " " 2078402

(I think 3 & 4 are not being used - not
since I have worked here actually)

5. Seattle City Light 600 S Garden St. 47249

6. " 601 S Myrtle ²⁵³⁷³⁵
239328

7. " " ⁷⁸⁷⁴⁸
94677

(7 - the last one - I think it is the
new pole)

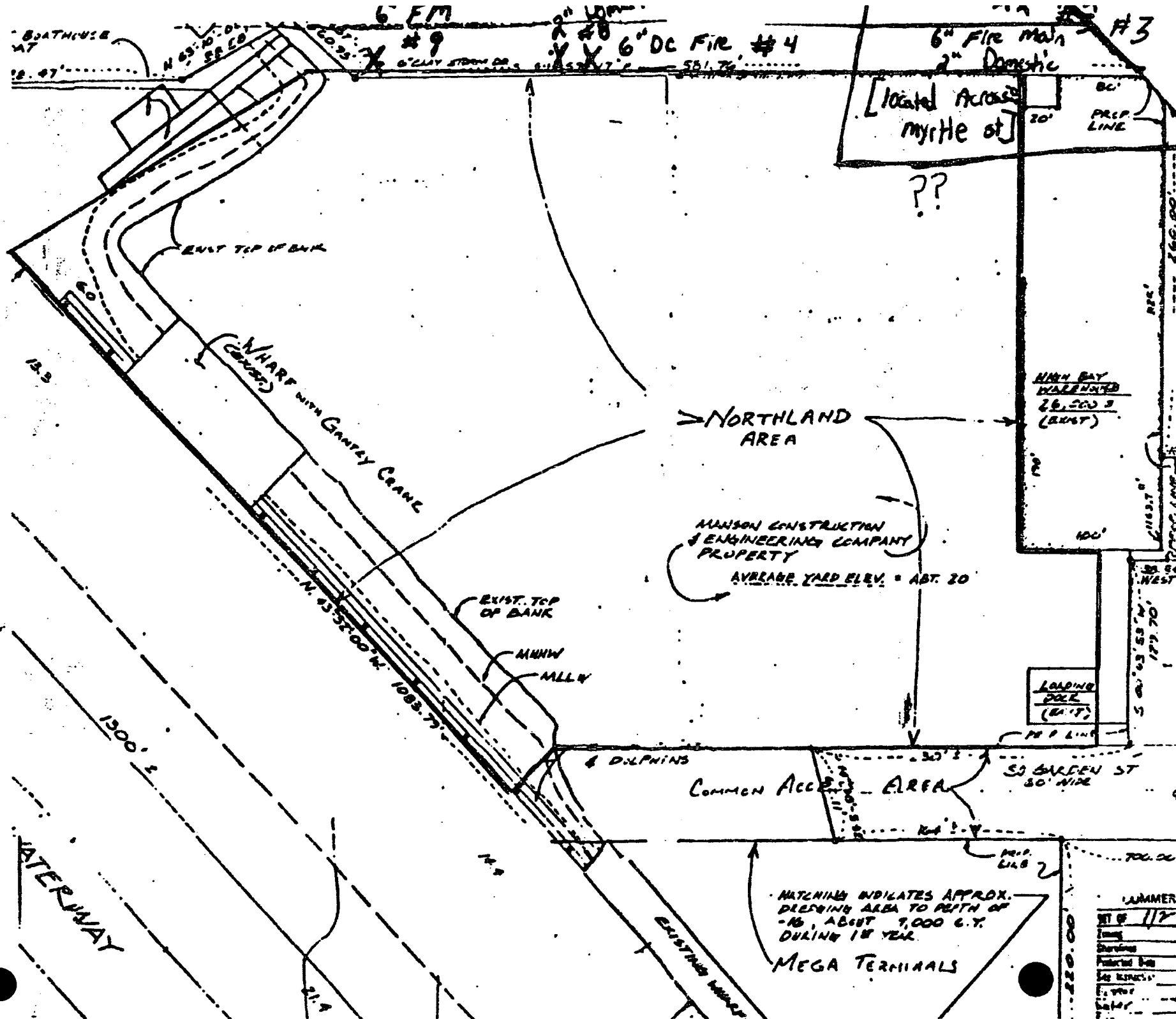
8. Seattle Combined Utilities 601 S Myrtle 2171965

9. " 501 S Myrtle 2173964

B
C

PLOT PLAN





50 Location 5 (47249) 100%

67 Location 6 (253735) ** 50%

333 Location 7 (78748) 100%

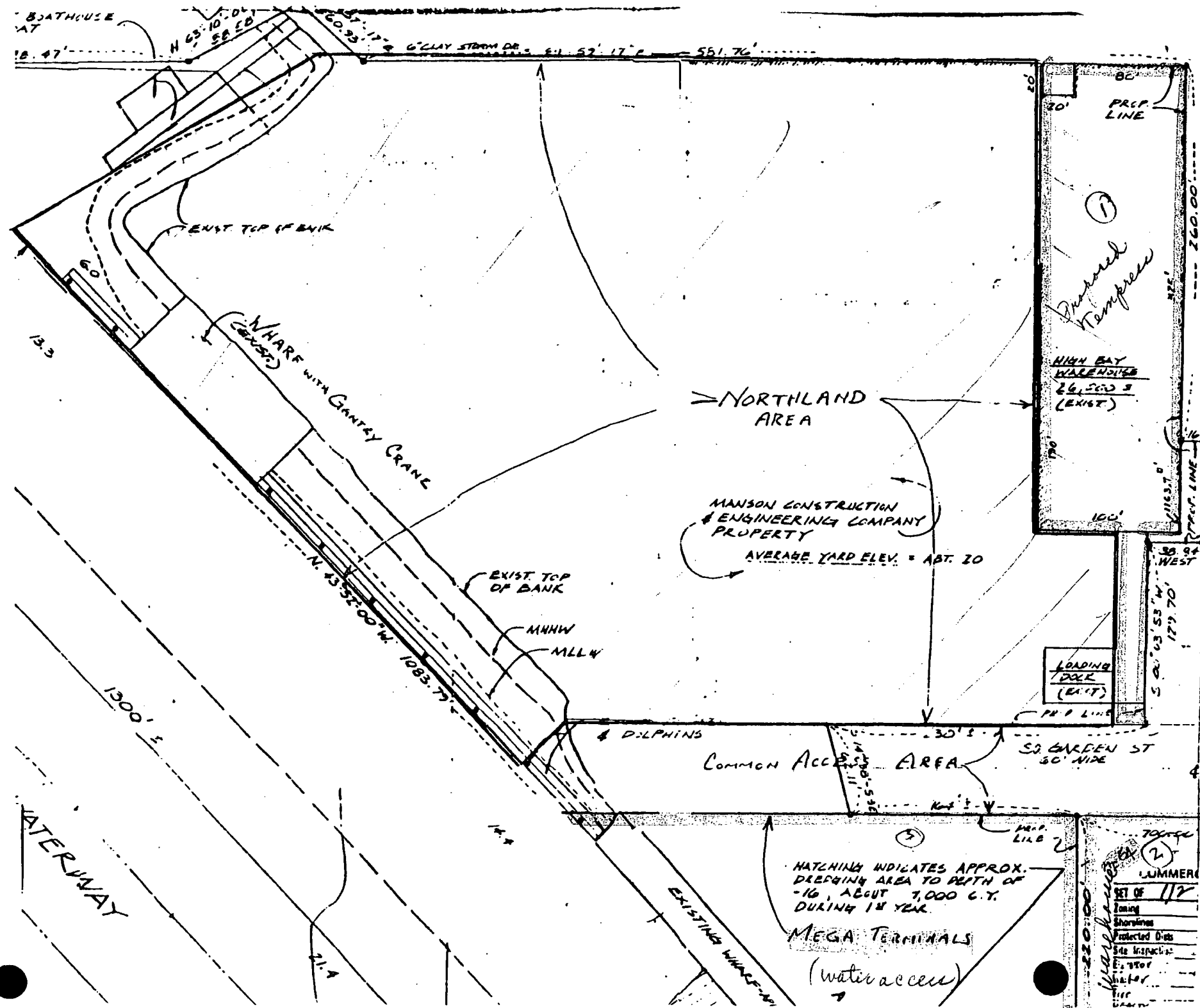
74 Location 2 (2042140) 50%

73 Location 3 (2041112) 50%

78 Location 4 (2078402) 50%

72 Location 8 (2171965) 50%

59 Location 9 (2173964ABC) 100%





BILLING STATEMENT

BILLING DATE
07-09-91

625-3000

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	AMOUNT DUE
01-045-008340-03-01-8	497 S MYRTLE ST	07-17-91	\$9.56

CUSTOMER NAME: MANSON CONST
PREVIOUS CHARGES: 20.13
PAYMENT(S)-THANK YOU: 20.13 CR
BALANCE FORWARD .00

SERVICE FROM	SERVICE TO	METER NUMBER	METER TYPE	METER READING PRESENT	METER READING PREVIOUS	MULTIPLIER	CONSUMPTION kWh/kvarh	DEMAND kW	PF %	RATE CODE	UNIT CHRG	AMOUNT
06-04-91	07-03-91	318895	kWh	29615	29257	1	358			31	.0267	9.56

*This is little
a gain is
yacht works
out of there?
do you want
this bill?*

*Pat McLaughlin
NO-VERB
PMG*

THIS PERIOD: 9.56
\$9.56

Average Daily Cost Electricity This Bill \$.33	COMPARE YOUR USE	
	THIS PERIOD	SAME PERIOD LAST YEAR
AVG. kWh PER DAY	12	25
TOTAL kWh USED	358	715
NO. OF DAYS	29	29

WINTER RATES are in effect from December 1st through March 31st.
SUMMER RATES are in effect from April 1st through November 30th.

SEE reverse side for where and how to pay your bill, frequently called City Light numbers and billing appeal process.

AMOUNT BILLED FOR ELECTRIC SERVICE INCLUDES STATE UTILITY TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT THE RATE OF 6.000%. THESE TAXES HAVE BEEN INCLUDED IN PAST BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

XOGLCOM

PLEASE BRING ENTIRE BILL WHEN PAYING IN PERSON



RETURN THIS PORTION WITH YOUR MAIL-IN PAYMENT
DO NOT MAIL CASH- Please write your account number on your check

COML

625-3000

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	AMOUNT DUE
01-045-008340-03-01-8	497 S MYRTLE ST	07-17-91	\$9.56

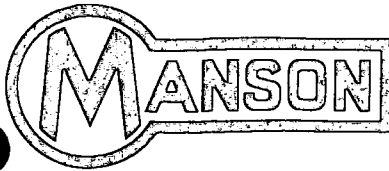
AMOUNT ENCLOSED

MANSON CONST
P O BOX 24067
SEATTLE WA

98124

MAKE CHECKS
PAYABLE TO SEATTLE CITY TREASURER
P.O. BOX 34905
SEATTLE, WA 98124-1905

00000007179101045008340030180000000000000000956001



CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • FAX 206-763-1232

March 13, 1991

YACHT WORKS, INC.
117 E. Louisa St. #133
Seattle, WA. 98102-3203

Attn: Steven C. Hansen
President

4130

Job No.

91-170

Invoice No.

INVOICE

TO BILL FOR SEATTLE CITY LIGHT METER
318895 LOCATED AT 497 S. MYRTLE STREET

REMIT TO:

NET 30 DAYS—No Discount
U.S. FUNDS

P.O. BOX 24067
SEATTLE, WA 98124-0067

FOR METER 318895

Feb. 2, 1991 to Mar. 6, 1991 \$ 149.60

If you have questions regarding this invoice, please contact Les Hillis
at 762-0850.

TAX CODE 1726

NON TAXABLE

LONG BEACH OFFICE
1605 Water Street
Long Beach, California 90802
Phone (213) 432-6918
Fax (213) 437-7032
California License # A-220319

SAN FRANCISCO OFFICE
1312 Canal Boulevard
Richmond, California 94804
Phone (415) 232-6319
Fax (415) 232-4528
California License # A-220319



● Yacht Works Inc.
117 E Louisa St. #133
Sea Wa 98102-3203

4130
91-170

Steven C. Hansen, President.

To bill for Seattle City Light
~~billing~~ meter 318895 located
at 497 S. Myrtle St.

Feb. 2, 1991 to 3-6-91 \$149.60

Questions Les



Seattle City Light

625-3000

BILLING STATEMENT

BILLING DATE
03-11-91

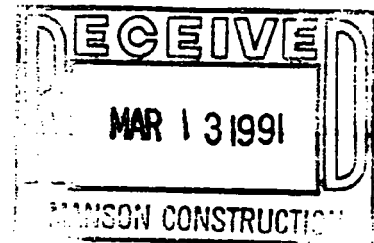
ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	AMOUNT DUE
01-045-008340-03-01-8	497 S MYRTLE ST	03-19-91	\$149.60

45
E 534

CUSTOMER NAME:
MANSON CONST

PREVIOUS CHARGES: 174.39
PAYMENT(S)-THANK YOU: 174.39 CR
BALANCE FORWARD .00

SERVICE	METER	METER READING	MULTI-PLIER	CONSUMPTION	DEMAND	PF	RATE	UNIT	AMOUNT
FROM	TO	NUMBER	TYPE	PRESENT	PREVIOUS		CODE	CHRG	
02-02-91	03-06-91	318895	kWh	23610	19970	1	3640	31 .0411	149.60



TOTAL CHARGES THIS PERIOD: 149.60
AMOUNT DUE \$149.60

Average Daily Cost Electricity This Bill \$4.68	COMPARE YOUR USE	
	THIS PERIOD	SAME PERIOD LAST YEAR
AVG. kWh PER DAY	114	90
TOTAL kWh USED	3640	2887
NO. OF DAYS	32	32

WINTER RATES are in effect from December 1st through March 31st.
SUMMER RATES are in effect from April 1st through November 30th.

SEE reverse side for where and how to pay your bill, frequently called City Light numbers and billing appeal process.

AMOUNT BILLED FOR ELECTRIC SERVICE INCLUDES STATE UTILITY TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT THE RATE OF 6.000%. THESE TAXES HAVE BEEN INCLUDED IN PAST BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

XOGLCOM

PLEASE BRING ENTIRE BILL WHEN PAYING IN PERSON



Seattle City Light

625-3000

RETURN THIS PORTION WITH YOUR MAIL-IN PAYMENT
DO NOT MAIL CASH- Please write your account number on your check

ACCOUNT NUMBER	SERVICE ADDRESS	DUE DATE	AMOUNT DUE
01-045-008340-03-01-8	497 S MYRTLE ST	03-19-91	\$149.60

MANSON CONST
P O BOX 24067
SEATTLE WA

98124

MAKE CHECKS
PAYABLE TO SEATTLE CITY TREASURER
P.O. BOX 12999-3107
SEATTLE, WA 98104

AMOUNT ENCLOSED

000000031991010450083400301800000000000000014960001



Seattle City Light
625-3000

145083403017

DUE DATE

AMOUNT DUE

FEB 15, 91

17439

Please write your account
number on your check

Make check payable to
SEATTLE CITY TREASURER

Use enclosed envelope or mail to:
CITY TREASURER, Seattle WA 98104

If paying in person, please bring entire bill

Please show amount of payment:

\$ _____

MANSON CONST
P O BOX 24067
SEATTLE WA

98124

45

FOR 497 S MYRTLE ST

MAIL THIS PORTION
WITH PAYMENT



Seattle
City Light
625-3000
696

FOR SERVICE AT

MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$

138.67

OUR RECORDS SHOW
PAYMENT(S) \$

138.67-

JAN 24

LEAVING A BALANCE OF \$

.00

FEB 06

WINTER RATES APPLY ACCOUNT NUMBER

145083403017

SERVICE		METER NUMBER	METER READING		MULTI- PLIER	USE KWH/KVARH	DEMAND KW	PF%	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
0104	0202	318899	19970	15727	1	4243	.0	31	174.39	

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY
TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT
THE RATE OF 6.000%. THESE TAXES HAVE BEEN INCLUDED IN PAST
BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

YACHT WORKS, INC.

117 E Louisa St. #133

Sea. Wa. 98102-3203

STEVEN C. HANSEN - president.

*Billed
per LCH*

AVERAGE DAILY COST ELECTRICITY THIS BILL	COMPARE YOUR USE		
	DAYS	TOTAL KWH	KWH PER DAY
CURRENT PERIOD	29	4243	146
SAME PERIOD LAST YEAR	29	2608	90

DUE
DATE

FEB 15, 91

AMOUNT
DUE

174.39

**KEEP THIS
PORTION**

SEE reverse side for where and how to pay your bill, frequently
called City Light numbers and billing appeal process.



Seattle City Light

625-3000

145083403017

DUE DATE
JAN 16, 91

AMOUNT DUE
138.67

Please write your account
number on your check

Make check payable to
SEATTLE CITY TREASURER

Use enclosed envelope or mail to:
CITY TREASURER, Seattle WA 98104

If paying in person, please bring entire bill

Please show amount of payment:

\$ _____

MANSON CONST
P O BOX 24067
SEATTLE WA

98124

45

FOR 497 S MYRTLE ST

MAIL THIS PORTION
WITH PAYMENT



Seattle
City Light
625-3000 521

FOR SERVICE AT
MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$ 62.41

OUR RECORDS SHOW
PAYMENT(S) \$ 62.41-
DEC 19

LEAVING A BALANCE OF \$.00
JAN 08

WINTER RATES APPLY ACCOUNT NUMBER 145083403017

SERVICE		METER NUMBER	METER READING		MULTI- PLIER	USE KWH/KVARH	DEMAND KW	PF%	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
1204	0104	318875	15727	12353	1	3374	.0	31		138.67

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY
TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT
THE RATE OF 6.000%. THESE TAXES HAVE BEEN INCLUDED IN PAST
BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

*Billed
prcch*

AVERAGE DAILY COST ELECTRICITY THIS BILL	COMPARE YOUR USE		
	DAYS	TOTAL KWH	KWH PER DAY
CURRENT PERIOD	31	3374	109
SAME PERIOD LAST YEAR	31	154	5

DUE
DATE JAN 16, 91

AMOUNT
DUE

138.67

**KEEP THIS
PORTION**

SEE reverse side for where and how to pay your bill, frequently
called City Light numbers and billing appeal process.



145083403017

DUE DATE
DEC 17, 90
AMOUNT DUE
62.41Please write your account
number on your checkMake check payable to
SEATTLE CITY TREASURERUse enclosed envelope or mail to:
CITY TREASURER, Seattle WA 98104

If paying in person, please bring entire bill

Please show amount of payment:

\$

MANSON CONST
P O BOX 24067
SEATTLE WA

98124

SH4

45

FOR 497 S MYRTLE ST

MAIL THIS PORTION
WITH PAYMENT

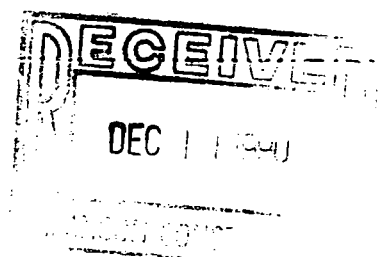
FOR SERVICE AT

MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$ 4.11

OUR RECORDS SHOW
PAYMENT(S): \$ 4.11-
NOV 21LEAVING A BALANCE OF \$.00
DEC 07SUMMER/
WINTER RATES APPLY ACCOUNT NUMBER 145083403017

SERVICE		METER NUMBER	METER READING		MULTI- PLIER	USE KWH/KVARH	DEMAND KW	PP%	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
1031	1204	318895	12353	10155	1	2198	.0	31		62.41

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY
TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT
THE RATE OF 5.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST
BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.*Billed
per LCH*

AVERAGE DAILY COST ELECTRICITY THIS BILL	COMPARE YOUR USE		
	DAYS	TOTAL KWH	KWH PER DAY
CURRENT PERIOD	34	2198	65
SAME PERIOD LAST YEAR	34	263	8

DUE
DATE
DEC 17, 90AMOUNT
DUE
62.41KEEP THIS
PORTIONSEE reverse side for where and how to pay your bill, frequently
called City Light numbers and billing appeal process.



Seattle City Light
625-3000

145083403017

DUE DATE

AMOUNT DUE

NOV 14, 90

4.11

Please write your account
number on your check



Make check payable to
SEATTLE CITY TREASURER

Use enclosed envelope or mail to:
CITY TREASURER, Seattle WA 98104

If paying in person, please bring entire bill

Please show amount of payment:

\$ _____

MANSON CONST
P O BOX 24067
SEATTLE WA

SH4

98124

45

FOR 497 S MYRTLE ST

MAIL THIS PORTION
WITH PAYMENT



Seattle
City Light
625-3000 183

FOR SERVICE AT

MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$

4.53

OUR RECORDS SHOW
PAYMENT(S): \$

4.53-

OCT 18

LEAVING A BALANCE OF \$

.00

NOV 05

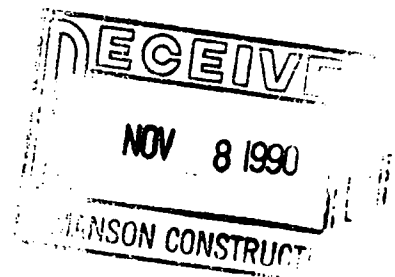
SUMMER RATES APPLY ACCOUNT NUMBER

145083403017

SERVICE		METER NUMBER	METER READING		MULTI- PLIER	USE (KWH/KVA/HP)	DEMAND (KW)	PP&L	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
1002	1031	318899	10155	10078	1	79	.0	31		4.11

MINIMUM CHARGE

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY
TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT
THE RATE OF 6.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST
BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.



AVERAGE DAILY COST ELECTRICITY THIS BILL	COMPARE YOUR USE			
	DAYS	TOTAL KWH	KWH PER DAY	
CURRENT PERIOD	29	79	3	
SAME PERIOD LAST YEAR	29	0	0	

DUE
DATE

NOV 14, 90

AMOUNT
DUE

4.11

**KEEP THIS
PORTION**

SEE reverse side for where and how to pay your bill, frequently
called City Light numbers and billing appeal process.

Please, do not staple or paper clip this flap

808-L (6-80)

Please write your account number on your check

Make check payable to SEATTLE CITY TREASURER

Use enclosed envelope or mail to: CITY TREASURER, Seattle WA 98104

If paying in person, please bring entire bill

Please show amount of payment:

\$

MANSON CONST
P O BOX 24067
SEATTLE WA

98124

45

FOR 497 S MYRTLE ST

MAIL THIS PORTION WITH PAYMENT



FOR SERVICE AT

MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$

4.11

OUR RECORDS SHOW PAYMENT(S): \$

4.11-

SEP 21

LEAVING A BALANCE OF \$

.00

OCT 09

SUMMER RATES APPLY ACCOUNT NUMBER

145083403017

SERVICE	TO	METER NUMBER	METER READING		MULTIPLIER	USE KWH/KV/PH	DEMAND KW	PF%	RATE	AMOUNT
			PRESENT	PREVIOUS						
			831 1002 318895	10076 10077			0	100	31	4.53

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT THE RATE OF 6.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

RECEIVED

AVERAGE DAILY COST ELECTRICITY THIS BILL	0.14	COMPARE YOUR USE		
		DAYS	TOTAL KWH	KWH PER DAY
CURRENT PERIOD		32	0	0
SAME PERIOD LAST YEAR		32	0	0

DUE DATE OCT 17, 90

AMOUNT DUE

4.53

KEEP

THIS PORTION

SEE reverse side for where and how to pay your bill, frequently called City Light numbers and billing appeal process.



Seattle City Light
625-3000

145083403017

DUE DATE

AMOUNT DUE

SEP 17, 90

4.11

Please write your account
number on your check

Make check payable to
SEATTLE CITY TREASURER

Use enclosed envelope or mail to:
CITY TREASURER, Seattle WA 98104

If paying in person, please bring entire bill

Please show amount of payment:

\$ _____

MANSON CONST
P O BOX 24067
SEATTLE WA

98124

45

FOR 497 S MYRTLE ST

MAIL THIS PORTION
WITH PAYMENT



Seattle City Light
625-3000
577

FOR SERVICE AT

MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$

4.25

OUR RECORDS SHOW
PAYMENT(S): \$

4.25-

AUG 22

LEAVING A BALANCE OF \$

.00

SEP 06

SUMMER RATES APPLY ACCOUNT NUMBER

145083403017

SERVICE		METER NUMBER	METER READING		MULTI- PLIER	USE KWH/VARS	DEMAND KWH	PP&L	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
0802	0831	318895	10077	10076	1	1	.0	31	4.11	
MINIMUM CHARGE										

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY
TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT
THE RATE OF 6.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST
BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

RECEIVED

SEP 10 1990

MANSON CONST

AVERAGE DAILY COST ELECTRICITY THIS BILL	COMPARE YOUR USE		
	DAYS	TOTAL KWH	KWH PER DAY
CURRENT PERIOD	29	1	0
SAME PERIOD LAST YEAR	29	0	0

DUE
DATE

SEP 17, 90

AMOUNT
DUE

4.11

KEEP THIS PORTION

SEE reverse side for where and how to pay your bill, frequently
called City Light numbers and billing appeal process.



Seattle City Light
625-3000

145083403017

DUE DATE

AMOUNT DUE

AUG 16, 90

425

Boat house

Please write your account number on your check

Make check payable to SEATTLE CITY TREASURER

Use enclosed envelope or mail to: CITY TREASURER, Seattle WA 98104

If paying in person, please bring entire bill

Please show amount of payment:

\$ _____

MANSON CONST
P O BOX 24067
SEATTLE WA

SH4

98124

45

FOR 497 S MYRTLE ST

MAIL THIS PORTION WITH PAYMENT



Seattle City Light
625-3000 149

FOR SERVICE AT

MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$

19.09

OUR RECORDS SHOW PAYMENT(S) \$

19.09-

JUL 31

LEAVING A BALANCE OF \$

.00

AUG 07

SUMMER RATES APPLY ACCOUNT NUMBER

145083403017

SERVICE		METER NUMBER	METER READING		MULTIPLIER	USE KWH/KVARH	DEMAND KW	PF%	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
0703	0802	318895	10076	10039		37	0	31		4.25
MINIMUM CHARGE										

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT THE RATE OF 6.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

RECEIVED
AUG 14 1990

MANSON CONSTRUCTION

AVERAGE DAILY COST ELECTRICITY THIS BILL 0.14	COMPARE YOUR USE		
	DAYS	TOTAL KWH	KWH PER DAY
CURRENT PERIOD	30	37	1
SAME PERIOD LAST YEAR	30	0	0

DUE DATE

AUG 16, 90

AMOUNT DUE

4.25

KEEP

THIS PORTION

SEE reverse side for where and how to pay your bill, frequently called City Light numbers and billing appeal process.



Seattle
City Light
625-3000

126

FOR SERVICE AT

MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$

6.54

OUR RECORDS SHOW
PAYMENT(S): \$

6.54-

JUL 03

LEAVING A BALANCE OF \$

.00

JUL 09

SUMMER RATES APPLY ACCOUNT NUMBER

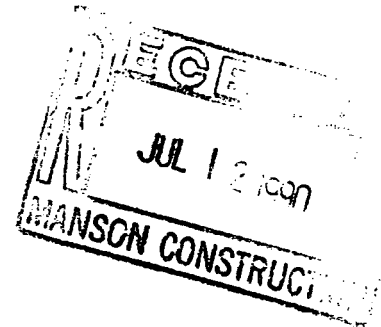
145083403017

SERVICE		METER NUMBER	METER READING		MULTI- PLIER	USE KWH/KVARH	DEMAND KW	PF%	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
0604	0703	318895	10039	9324	1	715	0	31	19.09	

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY
TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT
THE RATE OF 6.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST
BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

49

oc



AVERAGE DAILY COST ELECTRICITY THIS BILL	COMPARE YOUR USE		
	DAYS	TOTAL KWH	KWH PER DAY
CURRENT PERIOD	29	715	25
SAME PERIOD LAST YEAR	31	206	7

DUE
DATE

JUL 18, 90

AMOUNT
DUE

19.09

KEEP

**THIS
PORTION**

SEE reverse side for where and how to pay your bill, frequently
called City Light numbers and billing appeal process.



FOR SERVICE AT
MANSON CONST
497 S MYRTLE ST

PREVIOUS BILLING \$ 76.24
OUR RECORDS SHOW
PAYMENT(S) \$ 76.24-
MAY 24
LEAVING A BALANCE OF \$.00
JUN 07

SUMMER RATES APPLY ACCOUNT NUMBER 145083403017

SERVICE		METER NUMBER	METER READING		MULTI- PLIER	USE KWH/KVARH	DEMAND KW	PF%	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
0503	0604	318895	9324	9074	1	245	.0	31		6.54

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY
TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT
THE RATE OF 6.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST
BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

POSTED
JUN 21 1990

20049

CEIVIE

JUN 13 1990

MANSON CONSTRUCT

ST TY	0.20	COMPARE YOUR USE		
		DAYS	TOTAL KWH	KWH PER DAY
PERIOD		32	245	8
PERIOD LAST YEAR		30	209	7

DUE
DATE JUN 18, 90

AMOUNT
DUE 6.54

KEEP THIS PORTION

SEE reverse side for where and how to pay your bill, frequently
called City Light numbers and billing appeal process.

090

FOR SERVICE AT

MANSON CON
497 S MYRT ST

PREVIOUS BILLING \$ 53.12

OUR RECORDS SHOW
PAYMENT(S) \$.00

LEAVING A BALANCE OF \$ 53.12

MAY 08

SUMMER RATES APPLY ACCOUNT NUMBER 145083403017

SERVICE		METER NUMBER	METER READING		METER FLYER	USE INTERVAL	DESIGNED KWH	PRICE	RATE	AMOUNT
FROM	TO		PRESENT	PREVIOUS						
0404	0503	318895	9079	8213	1	866	.0	31		23.12
BALANCE FORWARD - PAST DUE										53.12

AMOUNTS BILLED FOR ELECTRIC SERVICE INCLUDE STATE UTILITY TAX AT THE RATE OF 3.873% AND SEATTLE OCCUPATION TAX AT THE RATE OF 6.300%. THESE TAXES HAVE BEEN INCLUDED IN PAST BILLINGS AND DO NOT REPRESENT A CHANGE IN THE CALCULATION.

POSTED
MAY 11 1990
CITY OF SEATTLE

20049

RECEIVED
MAY 10 1990
MANSON CONSTRUCTION

E COST THIS BILL	COMPARE YOUR USE		
	CURRENT PERIOD	SAME PERIOD LAST YEAR	PERCENTAGE
0.80	29	866	30
	29	525	18

DUE
DATE MAY 17, 90

AMOUNT
DUE 76.24

KEEP THIS PORTION

SEE reverse side for where and how to pay your bill, frequently called City Light numbers and billing appeal process.

B. Hull & Machinery

Lessee shall obtain, pay for, and maintain continuously Hull and Machinery and P and I insurance on the vessel moored on the leased property in an amount not less than 80% of the appraised value.

IV. UTILITIES

Lessee shall be responsible for and pay all electrical charges as metered to the site by Seattle City Light.

V. TAXES

Lessee shall be responsible for and pay all taxes assessed on the property he places in the moorage area.

ACCEPTED BY:

LESSOR:

LESSEE:

MANSON CONSTRUCTION &
ENGINEERING CO.

DEL EMERSON

By: *Alan A. Elward*

By: *Del Emerson*

Dated

12-14-88

Dated

12/14/88

1022-8020

SUBLEASE

This Sublease is entered into as of the 26th day of July 1990, effective November 1, 1988, between MANSON CONSTRUCTION & ENGINEERING COMPANY ("Manson"), as Landlord, and PACIFIC TERMINALS LIMITED ("Pacific"), as Tenant.

WHEREAS, Manson is the lessee of real property from Othello Street Warehouse Corporation, as lessor under a lease dated October 21, 1988, a copy of which is attached as Exhibit A (the "Othello/Manson Lease"); and

WHEREAS, Pacific desires to lease a portion of such property from Manson, as described herein;

NOW, THEREFORE, the parties enter into this Sublease as follows:

1. Lease. Pacific (hereinafter called "Tenant") hereby leases the premises described as "Parcel A" in "Exhibit A" to the Othello/Manson Lease (the "Premises") from Manson (hereinafter called "Landlord") for the term, price and conditions hereinafter set forth. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Sublease, AS IS.

2. Term. This Sublease shall be for the same term, and shall include the same definitions and rights of options to extend the lease, as are set forth in Article 2 of the Othello/Manson Lease. Tenant will pay a pro rata share of the monthly rent stated in Article 3 hereof for the period prior to November 1, 1988 in which it occupies the Premises.

3. Monthly Rent, Later Charges and Interest.

3.1. For the two-month period through December 31, 1988, the monthly rent shall be \$6,440.00 per month. For the period from January 1, 1989 through October 31, 1990, the monthly rent shall be \$7500.00 per month. Thereafter, the rent shall be increased in the percentages provided for in the Othello/Manson Lease.

3.2. Articles 3.2 through Article 18 and Articles 20-32 of the Othello/Manson Lease are incorporated herein by reference as though fully set forth herein and made a part hereof, with the agreement that where Landlord is referred to under this Sublease, the reference is intended to be Manson as Landlord, and where Tenant is referred to, the reference is intended to be Pacific as Tenant.

4. Cross Default. An additional cause for default under Article 14 of the Lease (incorporated by reference in Paragraph 3

herein) shall be the failure by Pacific to pay after ten (10) days notice of default, any installment when due on the attached Non-Recourse Promissory Note between Manson and Mega Terminals, Inc. (now Pacific Terminals Limited) (Exhibit B) and the Statement of Intent with respect thereto (Exhibit C).

Notices. Any notice required to be given by either party to the other shall be in writing and mailed registered mail, return receipt requested, postage prepaid, and addressed as follows:

TO LANDLORD:

c/o Manson Construction & Engineering Co.
ATTN: Glenn A. Edwards
5209 East Marginal Way S.
Seattle, WA 98124

TO TENANT:

c/o Pacific Terminals Limited
ATTN: Amanda Rasmussen
660 S. Othello Street
Seattle, WA 98108

cc: Thomas E. Kimball
Kimball & Associates
P.O. Box 6866
San Carlos, CA 94070

MANSON CONSTRUCTION & ENGINEERING CO.

By: 

Its: c/o

PACIFIC TERMINALS LIMITED

By: 

Amanda Rasmussen

Its: Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 27th day of July, 1990, before me personally appeared AMANDA RASMUSSEN, to me known to be the SECRETARY of PACIFIC TERMINALS LIMITED, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Milton C. Smith
Notary Public in and for the State
of Washington, residing at Seattle
My Commission Expires: 12-10-93

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 27th day of July, 1990, before me personally appeared DANIEL J. DOLMSETH, to me known to be the CFO of MANSON CONSTRUCTION & ENGINEERING CO., who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Robert J. Larey
Notary Public in and for the State
of Washington, residing at Redmond
My Commission Expires: 10-24-93

secr\eeae\mcs\sublease,kkl

SUBLEASE

This Sublease is entered into on the 1st day of July, 1991, between Manson Construction & Engineering Company ("Manson") as Lessee, and Pacific Terminals Limited ("Pacific") as Sublessee.

WHEREAS, Manson is the Lessee of real property from Othello Street Warehouse Corporation, as Lessor, under a Lease dated October 21, 1988 ("Othello-Manson Lease"); and

WHEREAS, Pacific has in the past subleased a part and now desires to sublease the remainder of such real property (hereinafter the "Property") subject to the Othello-Manson Lease;

NOW, THEREFORE, the parties enter into this Sublease as follows:

1. Manson hereby subleases to Pacific all of the Property described in the Othello-Manson Lease, which Lease is attached as Exhibit A to this Sublease and hereby incorporated by reference.

2. Pacific agrees to fully and timely perform all obligations as regards the Property under the Othello-Manson Lease as if Pacific were the lessee. All terms and conditions of the Othello-Manson Lease are incorporated into this Sublease and Pacific is legally bound both to Manson and Othello for each covenant and condition contained therein.

3. Pacific agrees to procure and provide all insurance required by the Othello-Manson Lease at its own expense and to name Manson as an additional insured. Pacific further agrees to provide Manson satisfactory evidence that it has procured and is maintaining all such insurance.

4. Pacific agrees to indemnify and hold Manson harmless against any loss or injury of any nature arising out of Pacific's failure to fully preserve and perform all of its obligations under the Othello-Manson Lease or this Sublease. It is further agreed that Pacific is and shall be in exclusive control and possession of the Property and in no event shall Manson be liable for any injury or damage to any Property or to any person happening on or about the premises nor for any injury or damage to the Property. Pacific agrees to defend, indemnify and hold Manson harmless from any loss, damage, or liability arising out of or resulting from any actual or alleged injury to or death of any person or from any actual or alleged loss or damage to Property resulting from any occurrence on or about the Property.

5. Pacific agrees not to further sublease any of the Property without the prior written approval of Manson.

6. If any legal action is instituted to enforce this Sublease or any part thereof, the prevailing party shall be entitled to recover reasonable attorney's fees and court costs from the other party.

MANSON CONSTRUCTION & ENGINEERING CO.

By: Robert L. Stevens
SEC.

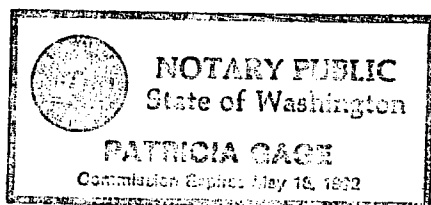
PACIFIC TERMINALS LIMITED

By: [Signature]
Its: Director

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 17th day of ^{July} ~~June~~, 1991, before me personally appeared Daniel J. Delmuth, ^{Robert L. Stevens} to me known to be the ~~CFO~~ ^{Vice-President & Secretary of} of Manson Construction & Engineering Co., who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

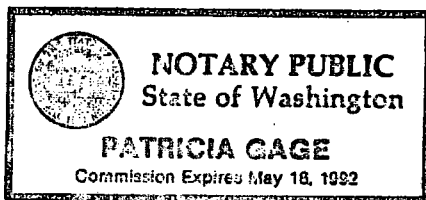


Patricia Gage
Notary Public in and for the
State of Washington, residing at
Seattle. My com-
mission expires 5-16-92.

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 17th day of ^{July} ~~June~~, 1991, before me personally appeared T. E. Kimble, to me known to be the Director of Pacific Terminals Limited, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Patricia Gage
Notary Public in and for the
State of Washington, residing at
Seattle. My com-
mission expires 5-16-92.

CONSENT OF LESSOR

Lessor, Othello Street Warehouse Corporation, does hereby consent to the Sublease of the Property designated herein to Pacific Terminals Limited.

DATED this _____ day of June, 1991.

OTHELLO STREET WAREHOUSE CORPORATION

By: _____

Its: _____

sic\dw\sublease

GUARANTY AGREEMENT
(Norsk Pacific Steamship Company Limited)

Manson Construction and Engineering Company (hereinafter "Manson") the lessee, has entered into a sublease agreement with Pacific Terminal Limited (hereinafter "Pacific"), the sublessee. Norsk Pacific Steamship Company Limited (hereinafter "Guarantor") has agreed to guarantee the timely and complete performance of all of Pacific's obligations to Manson under the sublease including any extensions, renewals or modifications to the sublease. A true and correct copy of the Manson/Pacific sublease is attached to this Guaranty Agreement as "Exhibit A" and hereby incorporated by reference.

An inducement for Manson entering into the sublease agreement with Pacific is the Guarantor's unconditional, absolute and irrevocable guarantee to Manson of the full and timely performance of all obligations owing by Pacific under the sublease agreement. Guarantor hereby acknowledges a benefit received for this guaranty.

Guarantor's obligations under this guaranty are independent of those of Pacific. Guarantor hereby waives any and all rights or legal requirement that Manson institute any action or proceeding or exhaust any remedies against Pacific, or anyone else, as a condition precedent to bringing an action against the Guarantor pursuant to this guaranty.

Guarantor hereby waives notice of any default by Pacific under the sublease agreement. Guarantor further waives any defenses based upon any legal disability of Pacific whether consensual or arising by operation of law or any bankruptcy, insolvency, receivership, reorganization, or other debtor-relief proceeding or from any other cause whatsoever.

Guarantor hereby consents that any terms, covenants and provisions of the sublease agreement may be altered, extended, modified, released or canceled all without further consent of or notice to the Guarantor and Guarantor agrees that its obligations hereunder shall in no way be released, diminished or otherwise effected thereby.

Guarantor agrees to pay the actual out of pocket costs and expenses of Manson, including but not limited to reasonable attorneys' fees incurred in any effort to enforce any guaranteed obligation or Guarantor's obligations under this guaranty, whether or not any lawsuit is filed and if one is both at trial and on appeal.

This guaranty shall be binding on the assignees and successors of the Guarantor and inure to the benefit of respective successors and assigns of Pacific.

This guaranty will be construed in accordance with the laws of the State of Washington.

DATED this 17th day of July, 1991.

NORSK PACIFIC STEAMSHIP COMPANY
LIMITED

By: 

Title: Director

GUARANTY AGREEMENT
(Norfolk Pacific Steamship Company Limited)

Manson Construction and Engineering Company (hereinafter "Manson") the lessee, has entered into a sublease agreement with Pacific Terminal Limited (hereinafter "Pacific"), the sublessee. Norfolk Pacific Steamship Company Limited (hereinafter "Guarantor") has agreed to guarantee the timely and complete performance of all of Pacific's obligations to Manson under the sublease including any extensions, renewals or modifications to the sublease. A true and correct copy of the Manson/Pacific sublease is attached to this Guaranty Agreement as "Exhibit A" and hereby incorporated by reference.

An inducement for Manson entering into the sublease agreement with Pacific is the Guarantor's unconditional, absolute and irrevocable guarantee to Manson of the full and timely performance of all obligations owing by Pacific under the sublease agreement. Guarantor hereby acknowledges a benefit received for this guaranty.

Guarantor's obligations under this guaranty are independent of those of Pacific. Guarantor hereby waives any and all rights or legal requirement that Manson institute any action or proceeding or exhaust any remedies against Pacific, or anyone else, as a condition precedent to bringing an action against the Guarantor pursuant to this guaranty.

Guarantor hereby waives notice of any default by Pacific under the sublease agreement. Guarantor further waives any defenses based upon any legal disability of Pacific whether consensual or arising by operation of law or any bankruptcy, insolvency, receivership, reorganization, or other debtor-relief proceeding or from any other cause whatsoever.

Guarantor hereby consents that any terms, covenants and provisions of the sublease agreement may be altered, extended, modified, released or canceled all without further consent of or notice to the Guarantor and Guarantor agrees that its obligations hereunder shall in no way be released, diminished or otherwise effected thereby.

Guarantor agrees to pay the actual out of pocket costs and expenses of Manson, including but not limited to reasonable attorneys' fees incurred in any effort to enforce any guaranteed obligation or Guarantor's obligations under this guaranty, whether or not any lawsuit is filed and if one is both at trial and on appeal.

This guaranty shall be binding on the assignees and successors of the Guarantor and inure to the benefit of respective successors and assigns of Pacific.

This guaranty will be construed in accordance with the laws of the State of Washington.

DATED this 17th day of July, 1991.

NORSK PACIFIC STEAMSHIP COMPANY
LIMITED.

By: 

Title: Director

1. **PARTIES. Sub**

This Sublease, dated May 23, 19 97, is made between
Pacific Terminals, Ltd. ("Sublessor"),
and Skyway Luggage Company, a Washington Corporation ("Sublessee").

2. **MASTER LEASE.**

Sublessor is the lessee under a written lease dated July 1, 19 91,
wherein Manson Construction & Engineering Co. ("Lessor")
leased to Sublessor the real property located in the City of Seattle,
County of King, State of Washington,
described as Please see Legal Description in Master Lease.

("Master Premises"). Said lease has been amended by the following amendments None

said lease and amendments are herein collectively referred to as the "Master Lease" and are attached hereto as Exhibit "B"

3. **PREMISES.**

Sublessor hereby subleases to Sublessee on the terms and conditions set forth in this Sublease the following portion of the Master Premises ("Premises"): Approximately 2 acres of land located at 600 South Garden Street

4. **WARRANTY BY SUBLESSOR.**

Sublessor warrants and represents to Sublessee that the Master Lease has not been amended or modified except as expressly set forth herein, that Sublessor is not now, and as of the commencement of the Term hereof will not be, in default or breach of any of the provisions of the Master Lease, and that Sublessor has no knowledge of any claim by Lessor that Sublessor is in default or breach of any of the provisions of the Master Lease. and shall continue on a month-to-month basis until either party terminates by providing 60 days written notice to the other party.

5. **TERM.**

The Term of this Sublease shall commence on June 1, 19 97 ("Commencement Date"), or when Lessor consents to this Sublease (if such consent is required under the Master Lease), whichever shall last occur, and end on July 31, 19 98 ("Termination Date"), unless otherwise sooner terminated in accordance with the provisions of this Sublease. In the event the Term commences on a date other than the Commencement Date, Sublessor and Sublessee shall execute a memorandum setting forth the actual date of commencement of the Term. Possession of the Premises ("Possession") shall be delivered to Sublessee on the commencement of the Term. If for any reason Sublessor does not deliver Possession to Sublessee on the commencement of the Term, Sublessor shall not be subject to any liability for such failure, the Termination Date shall not be extended by the delay, and the validity of this Sublease shall not be impaired, but rent shall abate until delivery of Possession. Notwithstanding the foregoing, if Sublessor has not delivered Possession to Sublessee within thirty (30) days after the Commencement Date, then at any time thereafter and before delivery of Possession, Sublessee may give written notice to Sublessor of Sublessee's intention to cancel this Sublease. Said notice shall set forth an effective date for such cancellation which shall be at least ten (10) days after delivery of said notice to Sublessor. If Sublessor delivers Possession to Sublessee on or before such effective date, this Sublease shall remain in full force and effect. If Sublessor fails to deliver Possession to Sublessee on or before such effective date, this Sublease shall be cancelled, in which case all consideration previously paid by Sublessee to Sublessor on account of this Sublease shall be returned to Sublessee, this Sublease shall thereafter be of no further force or effect, and Sublessor shall have no further liability to Sublessee on account of such delay or cancellation. If Sublessor permits Sublessee to take Possession prior to the commencement of the Term, such early Possession shall not advance the Termination Date and shall be subject to the provisions of this Sublease, including without limitation the payment of rent.

6. **RENT. — See Addendum regarding Gross Rent**

6.1 **Minimum Rent.** Sublessee shall pay to Sublessor as minimum rent, without deduction, setoff, notice, or demand, at Pacific Terminals, 660 South Othello Street, Seattle, Washington 98108 or at such other place as Sublessor shall designate from time to time by notice to Sublessee, the sum of \$.07 per SF of useable yard area (\$6,098) Dollars (\$ 6,098 Total) per month, in advance on the first day of each month of the Term. Sublessee shall pay to Sublessor upon execution of this Sublease the sum of SIX THOUSAND NINETY-EIGHT AND NO/100 Dollars (\$ 6,098.00) as rent for June 1997

If the Term begins or ends on a day other than the first or last day of a month, the rent for the partial months shall be prorated on a per diem basis. Additional provisions:

6.2 **Operating Costs.** ~~If the Master Lease requires Sublessor to pay to Lessor all or a portion of the expenses of operating the building and/or project of which the Premises are a part ("Operating Costs"), including but not limited to taxes, utilities, or insurance, then Sublessee shall pay to Sublessor as additional rent~~ percent (0%) of the amounts payable by Sublessor for Operating Costs incurred during the Term. Such

and Skyway Luggage Company, a Washington Corporation ("Sublessee").

2. MASTER LEASE.

Sublessor is the lessee under a written lease dated July 1, 19 91, wherein Manson Construction & Engineering Co. ("Lessor") leased to Sublessor the real property located in the City of Seattle, County of King, State of Washington, described as Please see Legal Description in Master Lease.

("Master Premises"). Said lease has been amended by the following amendments None

said lease and amendments are herein collectively referred to as the "Master Lease" and are attached hereto as Exhibit "B"

3. PREMISES.

Sublessor hereby subleases to Sublessee on the terms and conditions set forth in this Sublease the following portion of the Master Premises ("Premises"): Approximately 2 acres of land located at 600 South Garden Street

4. WARRANTY BY SUBLESSOR.

Sublessor warrants and represents to Sublessee that the Master Lease has not been amended or modified except as expressly set forth herein, that Sublessor is not now, and as of the commencement of the Term hereof will not be, in default or breach of any of the provisions of the Master Lease, and that Sublessor has no knowledge of any claim by Lessor that Sublessor is in default or breach of any of the provisions of the Master Lease. and shall continue on a month-to-month basis until either party terminates by providing 60 days written notice to the other party.

5. TERM.

The Term of this Sublease shall commence on June 1, 19 97 ("Commencement Date"), or when Lessor consents to this Sublease (if such consent is required under the Master Lease), whichever shall last occur, and end on July 31, 19 98 ("Termination Date"), unless otherwise sooner terminated in accordance with the provisions of this Sublease. In the event the Term commences on a date other than the Commencement Date, Sublessor and Sublessee shall execute a memorandum setting forth the actual date of commencement of the Term. Possession of the Premises ("Possession") shall be delivered to Sublessee on the commencement of the Term. If for any reason Sublessor does not deliver Possession to Sublessee on the commencement of the Term, Sublessor shall not be subject to any liability for such failure, the Termination Date shall not be extended by the delay, and the validity of this Sublease shall not be impaired, but rent shall abate until delivery of Possession. Notwithstanding the foregoing, if Sublessor has not delivered Possession to Sublessee within thirty (30) days after the Commencement Date, then at any time thereafter and before delivery of Possession, Sublessee may give written notice to Sublessor of Sublessee's intention to cancel this Sublease. Said notice shall set forth an effective date for such cancellation which shall be at least ten (10) days after delivery of said notice to Sublessor. If Sublessor delivers Possession to Sublessee on or before such effective date, this Sublease shall remain in full force and effect. If Sublessor fails to deliver Possession to Sublessee on or before such effective date, this Sublease shall be cancelled, in which case all consideration previously paid by Sublessee to Sublessor on account of this Sublease shall be returned to Sublessee, this Sublease shall thereafter be of no further force or effect, and Sublessor shall have no further liability to Sublessee on account of such delay or cancellation. If Sublessor permits Sublessee to take Possession prior to the commencement of the Term, such early Possession shall not advance the Termination Date and shall be subject to the provisions of this Sublease, including without limitation the payment of rent.

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If the Term begins or ends on a day other than the first or last day of a month, the rent for the partial months shall be prorated on a per diem basis. Additional provisions:

6.2 **Operating Costs.** ~~If the Master Lease requires Sublessor to pay to Lessor all or a portion of the expenses of operating the building and/or project of which the Premises are a part ("Operating Costs"), including but not limited to taxes, utilities, or insurance, then Sublessee shall pay to Sublessor as additional rent~~ percent (0%) of the amounts payable by Sublessor for Operating Costs incurred during the Term. Such

as security for Sublessee's faithful performance of Sublessee's obligations hereunder ("Security Deposit"). If Sublessee fails to pay rent or other charges when due under this Sublease, or fails to perform any of its other obligations hereunder, Sublessor may use or apply all or any portion of the Security Deposit for the payment of any rent or other amount then due hereunder and unpaid, for the payment of any other sum for which Sublessor may become obligated by reason of Sublessee's default or breach, or for any loss or damage sustained by Sublessor as a result of Sublessee's default or breach. If Sublessor so uses any portion of the Security Deposit, Sublessee shall, within ten (10) days after written demand by Sublessor, restore the Security Deposit to the full amount originally deposited, and Sublessee's failure to do so shall constitute a default under this Sublease. Sublessor shall not be required to keep the Security Deposit separate from its general accounts, and shall have no obligation or liability for payment of interest on the Security Deposit. In the event Sublessor assigns its interest in this Sublease, Sublessor shall deliver to its assignee so much of the Security Deposit as is then held by Sublessor. Within ten (10) days after the Term has expired, or Sublessee has vacated the Premises, or any final adjustment pursuant to Subsection 6.2 hereof has been made, whichever shall last occur, and provided Sublessee is not then in default of any of its obligations hereunder, the Security Deposit, or so much thereof as had not theretofore been applied by Sublessor, shall be returned to Sublessee or to the last assignee, if any, of Sublessee's interest hereunder.

8. USE OF PREMISES.

The Premises shall be used and occupied only for storage of trucks, vans, container vans and miscellaneous equipment., and for no other use or purpose.

9. ASSIGNMENT AND SUBLETTING.

Sublessee shall not assign this Sublease or further sublet all or any part of the Premises without the prior written consent of Sublessor (and the consent of Lessor, if such is required under the terms of the Master Lease), which consent shall not be unreasonably withheld, delayed or conditioned.

10. OTHER PROVISIONS OF SUBLEASE.

All applicable terms and conditions of the Master Lease are incorporated into and made a part of this Sublease as if Sublessor were the lessor thereunder, Sublessee the lessee thereunder, and the Premises the Master Premises, except for the following:

Any provisions relating to operating expenses (except utilities) and provisions relating to any options, extensions, rights of first refusal or expansions, if any. and Please see Addendum to the Sublease (attached) for additional provisions. Section 3 J 500

Sublessee assumes and agrees to perform the lessee's obligations under the Master Lease during the Term to the extent that such obligations are applicable to the Premises, except that the obligation to pay rent to Lessor under the Master Lease shall be considered performed by Sublessee to the extent and in the amount rent is paid to Sublessor in accordance with Section 6 of this Sublease. Sublessee shall not commit or suffer any act or omission that will violate any of the provisions of the Master Lease. Sublessor shall exercise due diligence in attempting to cause Lessor to perform its obligations under the Master Lease for the benefit of Sublessee. If the Master Lease terminates, this Sublease shall terminate and the parties shall be relieved of any further liability or obligation under this Sublease, provided however, that if the Master Lease terminates as a result of a default or breach by Sublessor or Sublessee under this Sublease and/or the Master Lease, then the defaulting party shall be liable to the nondefaulting party for the damage suffered as a result of such termination. Notwithstanding the foregoing, if the Master Lease gives Sublessor any right to terminate the Master Lease in the event of the partial or total damage, destruction, or condemnation of the Master Premises or the building or project of which the Master Premises are a part, the exercise of such right by Sublessor shall not constitute a default or breach hereunder.

11. ATTORNEYS' FEES.

If Sublessor, Sublessee, or Broker shall commence an action against the other arising out of or in connection with this Sublease, the prevailing party shall be entitled to recover its costs of suit and reasonable attorney's fees.

12. AGENCY DISCLOSURE:

(broker)

Sublessor and Sublessee each warrant that they have dealt with no other real estate broker in connection with this transaction except: CB COMMERCIAL REAL ESTATE GROUP, INC., who represents the Sublessor

and Kidder Mathews & Segner, who represents the Sublessee

In the event that CB COMMERCIAL REAL ESTATE GROUP, INC. represents both Sublessor and Sublessee, Sublessor and Sublessee hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.

13. COMMISSION.

Upon execution of this Sublease, and consent thereto by Lessor (if such consent is required under the terms of the Master Lease), Sublessor shall pay Broker a real estate brokerage commission in accordance with Sublessor's contract with Broker for the subleasing of the Premises, if any, and otherwise in the amount of SIX THOUSAND NINETY-EIGHT AND NO/100 Dollars (\$6,098.00), for services rendered in effecting this Sublease. Broker is hereby made a third party beneficiary of this Sublease for the purpose of enforcing its right to said commission. All other commissions if any shall be paid by Sublessee.

14. NOTICES.

All notices and demands which may or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the Sublessor to Sublessee shall be sent by United States Mail, postage prepaid, addressed to the Sublessee at the Premises, and to the address hereinbelow, or to such other place as Sublessee may from

16. COMPLIANCE.

The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

Sublessor: Pacific Terminals, Ltd.

By: S. Colleen Baundun

Title: Vice President

By: _____

Title: _____

Date: May 29, 1997

Sublessee: Skyway Luggage Company

By: Larry Kruger

Title: CEO

By: _____

Title: _____

Date: May 29, 1997

LESSOR'S CONSENT TO SUBLEASE

The undersigned ("Lessor"), lessor under the Master Lease, hereby consents to the foregoing Sublease without waiver of any restriction in the Master Lease concerning further assignment or subletting. Lessor certifies that, as of the date of Lessor's execution hereof, Sublessor is not in default or breach of any of the provisions of the Master Lease, and that the Master Lease has not been amended or modified except as expressly set forth in the foregoing Sublease.

Lessor: Manson Construction & Engineering Co.

By: R. L. Dolman

Title: CEO - Subject to conditions in maple leaf Property letter of 4/13/97

By: _____

Title: _____

Date: 6/20/97

CONSULT YOUR ADVISORS - This document has been prepared for approval by your attorney. No representation or recommendation is made by Broker as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

17. Skyway shall have the right to install an access gate off of South Myrtle Street at their expense. Said gate shall be in accordance with all applicable codes, ordinances and/or regulations.

COUNTY OF KING)

On this ____ day of _____, 1996, personally appeared before me _____, to me known to be the _____ of _____, the corporation that executed the within and foregoing instrument and acknowledged that _____ signed the same as _____ free and voluntary act and deed, for the uses and purposes therein mentioned and on oath stating that _____ is authorized to execute said instrument.

Witness my hand and seal hereto affixed the day and year in this certificate above-written.

NOTARY PUBLIC in and for the
State of Washington, residing at

CORPORATION

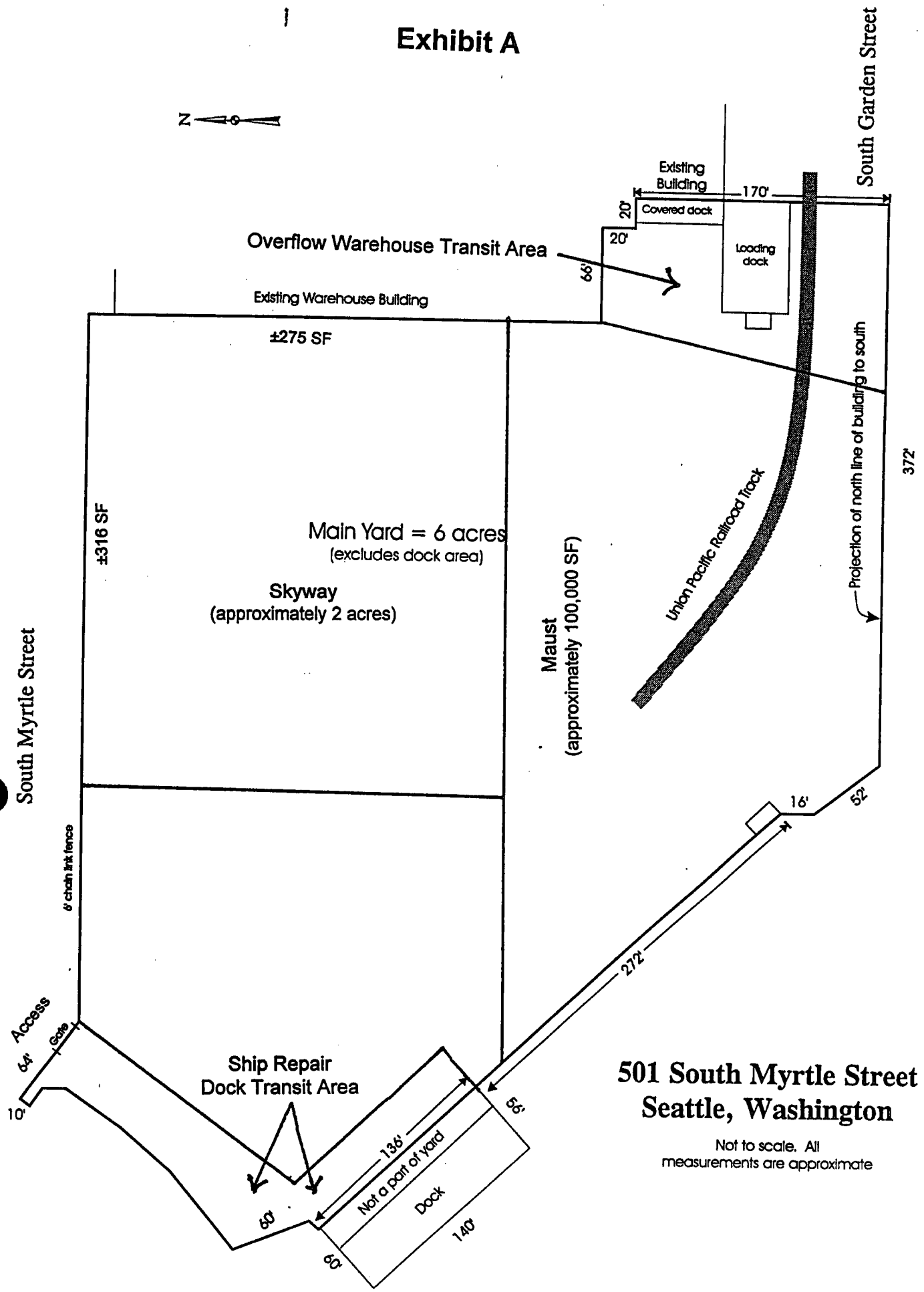
STATE OF WASHINGTON)
COUNTY OF KING) SS.
)

On this ____ day of _____, 1996, personally appeared before me _____, to me known to be the _____ of _____, the corporation that executed the within and foregoing instrument and acknowledged that _____ signed the same as _____ free and voluntary act and deed, for the uses and purposes therein mentioned and on oath stating that _____ is authorized to execute said instrument.

Witness my hand and seal hereto affixed the day and year in this certificate above-written.

NOTARY PUBLIC in and for the
State of Washington, residing at

Exhibit A



Property 600 South Garden Street, Seattle (Approximately 2 acres of land located at 600 South Garden Street)
Also known as: Street Address, City, State

Agency Disclosure: At the signing of this Agreement the Lessor is being represented by CB Commercial Real Estate Group (Snow)

The Sub-Lessee is being represented by Kidder Mathews & Segner

Each party signing this document confirms that prior oral and/or written disclosure of agency was provided to him/her in this transaction.

BROKER REPRESENTATION (check if applicable)

 Lessor and Lessee hereby acknowledge that Broker represents both parties hereto; and both parties consent thereto.

NOTIFICATION RE: NATIONAL FLOOD INSURANCE PROGRAM

This property is / X is not located in a Special Flood Hazard Area on United States Department of Housing and Urban Development (HUD) "Special Flood Zone Area Maps." Federal law requires that as a condition of obtaining federally related financing on most properties located in "flood zones," banks, savings and loan associations, and some insurance lenders require flood insurance to be carried where the property, real or personal, is security for a loan. This requirement is mandated by the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973. The purpose of the program is to provide flood insurance to property owners at a reasonable cost. Cities or counties participating in the National Flood Insurance Program may have adopted building or zoning restrictions, or other measures, as part of their participation in the program. You should contact the city or county in which the property is located to determine any such restrictions. The extent of coverage available in your area and the cost of this coverage may vary, and for further information, you should consult your lender or insurance carrier.

Flood Zone Designation: Zone 53033C0630 F Source FEMA

HAZARDOUS WASTES OR SUBSTANCES AND UNDERGROUND STORAGE TANKS

Comprehensive federal and state laws and regulations have been enacted in the past several years in an effort to control the use, storage, handling, clean-up, removal and disposal of hazardous wastes or substances. Some of these laws and regulations (such as, for example, the Comprehensive Environmental Response Compensation and Liability Act [CERCLA]) provide for broad liability on the part of owners, tenants, or other users of property for clean-up costs and damages, regardless of fault. Other laws and regulations set standards for the handling of asbestos, and establish requirements for the use, modification, abandonment, and closure of underground storage tanks.

It is not practical or possible to list all such laws and regulations in this Notice. Therefore, Lessors and Lessees are urged to consult legal counsel to determine their respective rights and liabilities with respect to the issues described in this Notice, as well as all other aspects of the proposed transaction. If hazardous wastes or substances have been, or are going to be used, stored, handled or disposed on the Property, or if the Property has been or may have underground storage tanks, it is essential that legal and technical advice be obtained to determine, among other things, the nature of permits and approvals which have been obtained or may be required; the estimated costs and expenses associated with the use, storage, handling, clean-up, disposal or removal of hazardous wastes or substances; and the nature and extent of contractual provisions necessary or desirable in this transaction. Broker recommends expert assistance and site investigation to determine past uses of the property, which may provide valuable information as to the likelihood of hazardous wastes or substances, or underground storage tanks, being on the Property.

Lessor agrees to disclose to Broker and to Lessee any and all information which he/she/it has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks, in, on, or about the Property.

Broker has conducted no investigation regarding the subject matter hereof, except as may be contained in a separate written document signed by Broker. Broker makes no representations concerning the existence or nonexistence of hazardous wastes or substances, or underground storage tanks, in, on, or about the Property. Lessee should contact a professional, such as a civil engineer, industrial hygienist or other persons with experience in these matters, to advise on these matters.

The term "hazardous wastes or substances" is used herein in its very broadest sense and includes, but is not limited to, petroleum based products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substances and underground storage tanks may be present on all types of real property. This Notice is intended to apply to any transaction involving any type of real property, whether improved or unimproved.

BROKER DISCLOSURE *Provisions of Addendum 1 are incorporated under the terms of this agreement and by this reference made a part hereof*

The parties hereby expressly acknowledge that Broker has made no independent determination or investigation regarding the following: present or future use or zoning of the property; environmental matters affecting the Property; the condition of the Property, including, but not limited to structural, mechanical and soils conditions, as well as issues surrounding hazardous wastes or substances as set out above; violations of the Occupational Safety and Health Act or any other federal, state, county or municipal laws, ordinances, or statutes; measurements of land and/or buildings. Lessee agrees to make its own investigation and determination regarding such items. A real estate broker is qualified to advise on real estate. If you desire legal advice, consult your attorney.

The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

RECEIPT OF A COPY OF THIS NOTICE AND AGREEMENT IS HEREBY ACKNOWLEDGED.

Lessor
Pacific Terminals, Ltd)

Sub-Lessee
Skyway Luggage Co., a Washington Corporation

By J. Coenen Baerman
Its Vice President
Dated: May 29, 1997

By Larry Kruger
Its CEO
Dated: May 29, 1997

CONSULT YOUR ADVISORS NO REPRESENTATION OR RECOMMENDATION IS MADE BY CB COMMERCIAL REAL ESTATE GROUP, INC. OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL EFFECT, INTERPRETATION, OR ECONOMIC CONSEQUENCES OF THIS AGREEMENT, THE TRANSACTION CONTEMPLATED HEREUNDER, THE NATIONAL FLOOD INSURANCE PROGRAM AND RELATED LEGISLATION, NOR OF OTHER LEGISLATION REFERRED TO HEREIN. THESE ARE QUESTIONS THAT YOU SHOULD ADDRESS WITH YOUR CONSULTANTS AND ADVISORS.

1
ADDENDUM 1

Environmental Matters. Pacific Terminals, Inc. (PTI) shall indemnify, defend, protect, and hold Skyway Luggage Company (SLC) free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorney's fees) or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by the presence in, on, under or about the Premises of any Hazardous Materials existing prior to occupancy of the premises by SLC. In the event remediation of Hazardous Materials makes the premises unusable, SLC, at SLC's sole discretion, may cancel this lease with seven (7) days prior written notice to PTI.

TSB

1. PARTIES. Sub

This Sublease, dated May 23, 19 97, is made between
Pacific Terminals, Ltd. ("Sublessor"),
and The Maust Corporation ("Sublessee").

2. MASTER LEASE.

Sublessor is the lessee under a written lease dated July 1, 19 91,
wherein Manson Constructin & Engineering Co. ("Lessor")
leased to Sublessor the real property located in the City of Seattle,
County of King, State of Washington,
described as Please see Legal Description in Master Lease.

("Master Premises"). Said lease has been amended by the following amendments None

said lease and amendments are herein collectively referred to as the "Master Lease" and are attached hereto as Exhibit "B"

3. PREMISES.

Sublessor hereby subleases to Sublessee on the terms and conditions set forth in this Sublease the following portion of the
Master Premises ("Premises"): Approximately 100,000 SF of land located at 600 South Garden Street.

4. WARRANTY BY SUBLESSOR.

Sublessor warrants and represents to Sublessee that the Master Lease has not been amended or modified except as expressly
set forth herein, that Sublessor is not now, and as of the commencement of the Term hereof will not be, in default or breach
of any of the provisions of the Master Lease, and that Sublessor has no knowledge of any claim by Lessor that Sublessor is
in default or breach of any of the provisions of the Master Lease.

5. TERM.

The Term of this Sublease shall commence on July 1, 19 97 ("Commencement
Date"), or when Lessor consents to this Sublease (if such consent is required under the Master Lease), whichever shall last
occur, and end on October 31, 19 98 ("Termination Date"), unless otherwise
sooner terminated in accordance with the provisions of this Sublease. In the event the Term commences on a date other than
the Commencement Date, Sublessor and Sublessee shall execute a memorandum setting forth the actual date of
commencement of the Term. Possession of the Premises ("Possession") shall be delivered to Sublessee on the
commencement of the Term. If for any reason Sublessor does not deliver Possession to Sublessee on the commencement
of the Term, Sublessor shall not be subject to any liability for such failure, the Termination Date shall not be extended by the
delay, and the validity of this Sublease shall not be impaired, but rent shall abate until delivery of Possession. Notwithstanding
the foregoing, if Sublessor has not delivered Possession to Sublessee within thirty (30) days after the Commencement Date,
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intention to cancel this Sublease. Said notice shall set forth an effective date for such cancellation which shall be at least ten
(10) days after delivery of said notice to Sublessor. If Sublessor delivers Possession to Sublessee on or before such effective
date, this Sublease shall remain in full force and effect. If Sublessor fails to deliver Possession to Sublessee on or before such
effective date, this Sublease shall be cancelled, in which case all consideration previously paid by Sublessee to Sublessor
on account of this Sublease shall be returned to Sublessee, this Sublease shall thereafter be of no further force or effect, and
Sublessor shall have no further liability to Sublessee on account of such delay or cancellation. If Sublessor permits Sublessee
to take Possession prior to the commencement of the Term, such early Possession shall not advance the Termination Date
and shall be subject to the provisions of this Sublease, including without limitation the payment of rent.

6. RENT. — See Addendum regarding Gross Rent

6.1 Minimum Rent. Sublessee shall pay to Sublessor as minimum rent, without deduction, setoff, notice, or demand,
at Pacific Terminals, 660 South Othello Street, Seattle, Washington 98108
or at such other place as Sublessor shall designate from time to time by notice to Sublessee, the sum of
\$.07 per SF (\$7,000) Dollars (\$7,000.00) per month,
in advance on the first day of each month of the Term. Sublessee shall pay to Sublessor upon execution of this Sublease
the sum of SEVEN THOUSAND AND NO/100 Dollars (\$7,000.00)
as rent for June 1997 July
If the Term begins or ends on a day other than the first or last day of a month, the rent for the partial months shall be
prorated on a per diem basis. Additional provisions:

6.2 Operating Costs. If the Master Lease requires Sublessor to pay to Lessor all or a portion of the expenses of operating the
building and/or project of which the Premises are a part ("Operating Costs"), including but not limited to taxes, utilities,
or insurance, then Sublessee shall pay to Sublessor as additional rent \$1,130 per month (taxes and insurance)
45 percent (45%) of the amounts payable by Sublessor for Operating Costs incurred during the Term. Such
other expenses shall be paid, including utilities, as appropriate by Tenant.

additional rent shall be payable as and when Operating Costs are payable by Sublessor to Lessor. If the Master Lease provides for the payment by Sublessor of Operating Costs on the basis of an estimate thereof, then as and when adjustments between estimated and actual Operating Costs are made under the Master Lease, the obligations of Sublessor and Sublessee hereunder shall be adjusted in a like manner; and if any such adjustment shall occur after the expiration or earlier termination of the Term, then the obligations of Sublessor and Sublessee under this Subsection 6.2 shall survive such expiration or termination. Sublessor shall, upon request by Sublessee, furnish Sublessee with copies of all statements submitted by Lessor of actual or estimated Operating Costs during the Term.

7. SECURITY DEPOSIT.

Sublessee shall deposit with Sublessor upon execution of this Sublease the sum of SEVEN THOUSAND AND NO/100 Dollars (\$ 7,000.00)

as security for Sublessee's faithful performance of Sublessee's obligations hereunder ("Security Deposit"). If Sublessee fails to pay rent or other charges when due under this Sublease, or fails to perform any of its other obligations hereunder, Sublessor may use or apply all or any portion of the Security Deposit for the payment of any rent or other amount then due hereunder and unpaid, for the payment of any other sum for which Sublessor may become obligated by reason of Sublessee's default or breach, or for any loss or damage sustained by Sublessor as a result of Sublessee's default or breach. If Sublessor so uses any portion of the Security Deposit, Sublessee shall, within ten (10) days after written demand by Sublessor, restore the Security Deposit to the full amount originally deposited, and Sublessee's failure to do so shall constitute a default under this Sublease. Sublessor shall not be required to keep the Security Deposit separate from its general accounts, and shall have no obligation or liability for payment of interest on the Security Deposit. In the event Sublessor assigns its interest in this Sublease, Sublessor shall deliver to its assignee so much of the Security Deposit as is then held by Sublessor. Within ten (10) days after the Term has expired, or Sublessee has vacated the Premises, or any final adjustment pursuant to Subsection 6.2 hereof has been made, whichever shall last occur, and provided Sublessee is not then in default of any of its obligations hereunder, the Security Deposit, or so much thereof as had not theretofore been applied by Sublessor, shall be returned to Sublessee or to the last assignee, if any, of Sublessee's interest hereunder.

8. USE OF PREMISES.

The Premises shall be used and occupied only for tractor and trailer parking, distribution, maintenance and storage, and for no other use or purpose.

9. ASSIGNMENT AND SUBLETTING.

Sublessee shall not assign this Sublease or further sublet all or any part of the Premises without the prior written consent of Sublessor (and the consent of Lessor, if such is required under the terms of the Master Lease).

10. OTHER PROVISIONS OF SUBLEASE.

All applicable terms and conditions of the Master Lease are incorporated into and made a part of this Sublease as if Sublessor were the lessor thereunder, Sublessee the lessee thereunder, and the Premises the Master Premises, except for the following:

Any provisions relating to any options, extensions, rights of first refusal or expansions; if any.

Sublessee assumes and agrees to perform the lessee's obligations under the Master Lease during the Term to the extent that such obligations are applicable to the Premises, except that the obligation to pay rent to Lessor under the Master Lease shall be considered performed by Sublessee to the extent and in the amount rent is paid to Sublessor in accordance with Section 6 of this Sublease. Sublessee shall not commit or suffer any act or omission that will violate any of the provisions of the Master Lease. Sublessor shall exercise due diligence in attempting to cause Lessor to perform its obligations under the Master Lease for the benefit of Sublessee. If the Master Lease terminates, this Sublease shall terminate and the parties shall be relieved of any further liability or obligation under this Sublease, provided however, that if the Master Lease terminates as a result of a default or breach by Sublessor or Sublessee under this Sublease and/or the Master Lease, then the defaulting party shall be liable to the nondefaulting party for the damage suffered as a result of such termination. Notwithstanding the foregoing, if the Master Lease gives Sublessor any right to terminate the Master Lease in the event of the partial or total damage, destruction, or condemnation of the Master Premises or the building or project of which the Master Premises are a part, the exercise of such right by Sublessor shall not constitute a default or breach hereunder.

11. ATTORNEYS' FEES.

If Sublessor, Sublessee, or Broker shall commence an action against the other arising out of or in connection with this Sublease, the prevailing party shall be entitled to recover its costs of suit and reasonable attorney's fees.

12. AGENCY DISCLOSURE:

(Broker)

Sublessor and Sublessee each warrant that they have dealt with no other real estate broker in connection with this transaction except: CB COMMERCIAL REAL ESTATE GROUP, INC., who represents Pacific Terminals, Inc.,
Sublessor
and American Warehouse Company, who represents the Sublessee

In the event that CB COMMERCIAL REAL ESTATE GROUP, INC. represents both Sublessor and Sublessee, Sublessor and Sublessee hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.

13. COMMISSION.

Upon execution of this Sublease, and consent thereto by Lessor (if such consent is required under the terms of the Master Lease), Sublessor shall pay Broker a real estate brokerage commission in accordance with Sublessor's contract with Broker for the subleasing of the Premises, if any, and otherwise in the amount of SEVEN THOUSAND AND NO/100

Dollars (\$ 7,000.00),

for services rendered in effecting this Sublease. Broker is hereby made a third party beneficiary of this Sublease for the purpose of enforcing its right to said commission. ~~All other commissions if any shall be paid by Sublessee.~~

This commission, to be shared equally by CB Commercial and American Warehouse Company.

14. NOTICES. All notices and demands which may or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the Sublessor to Sublessee shall be sent by United States Mail, postage prepaid, addressed to the Sublessee at the Premises, and to the address hereinbelow, or to such other place as Sublessee may from

time to time designate in a notice to the Sublessor. All notices and demands by the Sublessee to Sublessor shall be sent by United States Mail, postage prepaid, addressed to the Sublessor at the address set forth herein, and to such other person or place as the Sublessor may from time to time designate in a notice to the Sublessee.

To Sublessor: Pacific Terminals, Ltd., 660 South Othello Street, Seattle WA 98108

To Sublessee: The Maust Corporation, P.O. Box 24966, Seattle, WA 98124-0966

15. CONSENT BY LESSOR.

THIS SUBLEASE SHALL BE OF NO FORCE OR EFFECT UNLESS CONSENTED TO BY LESSOR WITHIN 10 DAYS AFTER EXECUTION HEREOF, IF SUCH CONSENT IS REQUIRED UNDER THE TERMS OF THE MASTER LEASE.

16. COMPLIANCE.

The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

Sublessor: Pacific Terminals, Ltd.

Sublessee: The Maust Corporation

By: G. Coorsen Baerhans

By: Larry J. Dennis

Title: Vice President

Title: President

By: _____

By: _____

Title: _____

Title: _____

Date: 6/9/97

Date: _____

LESSOR'S CONSENT TO SUBLEASE

The undersigned ("Lessor"), lessor under the Master Lease, hereby consents to the foregoing Sublease without waiver of any restriction in the Master Lease concerning further assignment or subletting. Lessor certifies that, as of the date of Lessor's execution hereof, Sublessor is not in default or breach of any of the provisions of the Master Lease, and that the Master Lease has not been amended or modified except as expressly set forth in the foregoing Sublease.

Lessor: Manson Construction & Engineering Co.

By: R. Dolmest

Title: CFO -

By: _____

Title: _____

Date: 6/20/97

*Subject to conditions in master lease
property letter of 6/13/97*

CONSULT YOUR ADVISORS - This document has been prepared for approval by your attorney. No representation or recommendation is made by Broker as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

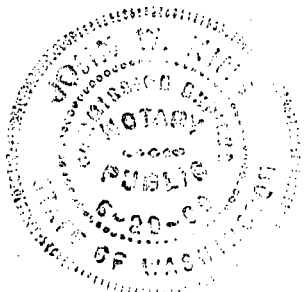
17. Sublessee shall have the right to terminate this lease by giving Lessor 90 days written notice.

CORPORATION

STATE OF WASHINGTON)
) SS.
COUNTY OF KING)

On this 4th day of June, 1996⁷, personally appeared before me
Gary J. Dennis, to me known to be the President of
Maust Corporation, the corporation that executed the within and foregoing instrument
and acknowledged that he signed the same as his free and voluntary act and deed, for the
uses and purposes therein mentioned and on oath stating that he is authorized to execute said
instrument.

Witness my hand and seal hereto affixed the day and year in this certificate above-written.



John W. King
NOTARY PUBLIC in and for the
State of Washington, residing at
Seattle
John W. King

CORPORATION

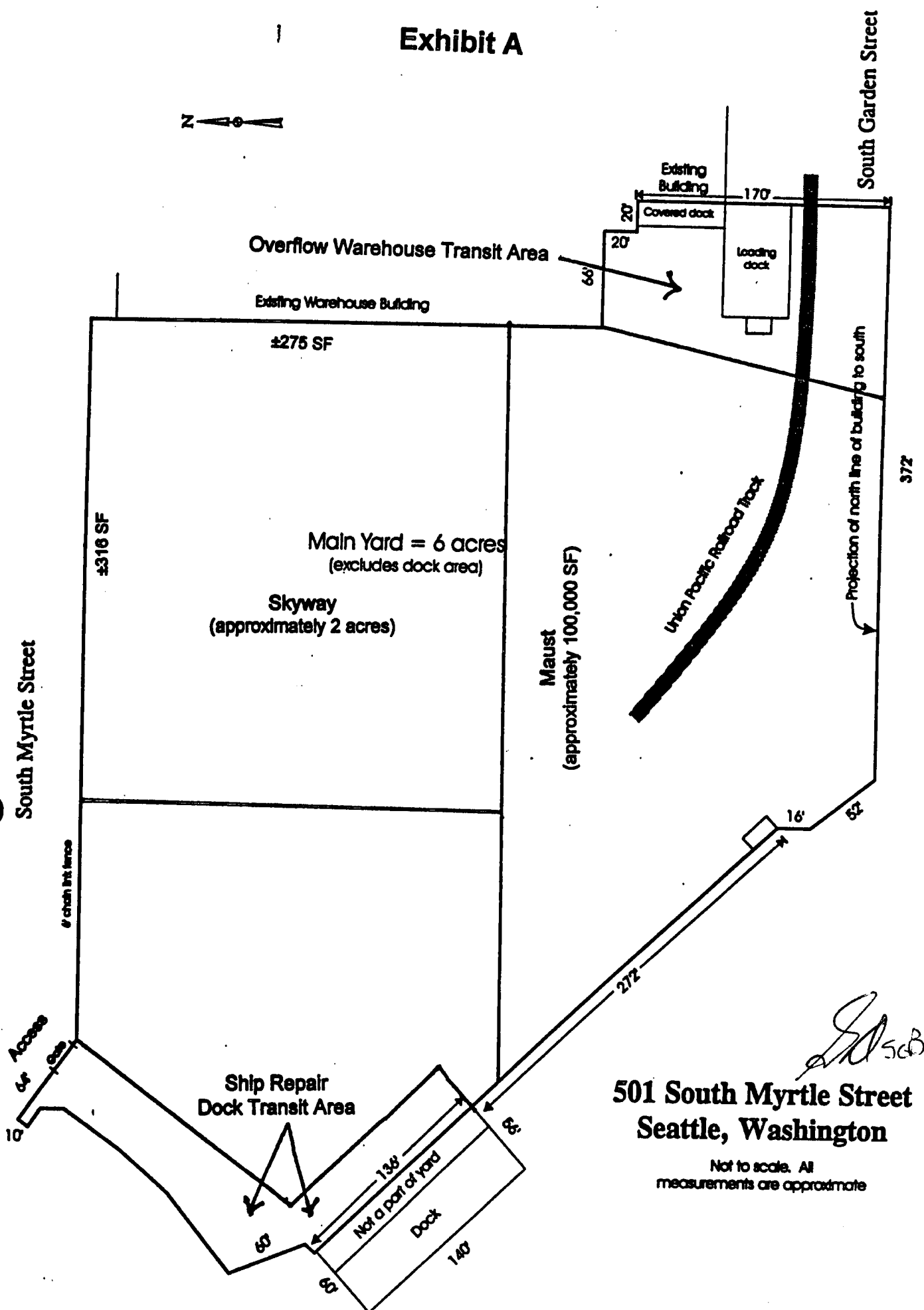
STATE OF WASHINGTON)
) SS.
COUNTY OF KING)

On this _____ day of _____, 1996, personally appeared before me
_____, to me known to be the _____ of
_____, the corporation that executed the within and foregoing instrument
and acknowledged that _____ signed the same as _____ free and voluntary act and deed, for the
uses and purposes therein mentioned and on oath stating that _____ is authorized to execute said
instrument.

Witness my hand and seal hereto affixed the day and year in this certificate above-written.

NOTARY PUBLIC in and for the
State of Washington, residing at

Exhibit A



DISCLOSURES AND AGREEMENT
CB COMMERCIAL REAL ESTATE GROUP, INC.
BROKERAGE AND MANAGEMENT
LICENSED REAL ESTATE BROKER

Date: June 1, 1997

Lessor Pacific Terminals, Ltd.
Lessee The Maust Corporation
Property 800 South Garden Street, Seattle (Approximately 100,000 SF of land located at 800 South Garden Street
Street Address, City, State

Also known as: _____

Agency Disclosure: At the signing of this Agreement the Lessor is being represented by CB Commercial Real Estate Group (Snow)

The Sub-Lessee is being represented by American Warehouse Co.

Each party signing this document confirms that prior oral and/or written disclosure of agency was provided to him/her in this transaction.

BROKER REPRESENTATION (check if applicable)

☐ Lessor and Lessee hereby acknowledge that Broker represents both parties hereto; and both parties consent thereto.

NOTIFICATION RE: NATIONAL FLOOD INSURANCE PROGRAM

This property ☐ is / ☒ is not located in a Special Flood Hazard Area on United States Department of Housing and Urban Development (HUD) "Special Flood Zone Area Maps." Federal law requires that as a condition of obtaining federally related financing on most properties located in "flood zones," banks, savings and loan associations, and some insurance lenders require flood insurance to be carried where the property, real or personal, is security for a loan. This requirement is mandated by the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973. The purpose of the program is to provide flood insurance to property owners at a reasonable cost. Cities or counties participating in the National Flood Insurance Program may have adopted building or zoning restrictions, or other measures, as part of their participation in the program. You should contact the city or county in which the property is located to determine any such restrictions. The extent of coverage available in your area and the cost of this coverage may vary, and for further information, you should consult your lender or insurance carrier.

Flood Zone Designation: Zone 53033C0630 F Source FEMA

HAZARDOUS WASTES OR SUBSTANCES AND UNDERGROUND STORAGE TANKS

Comprehensive federal and state laws and regulations have been enacted in the past several years in an effort to control the use, storage, handling, clean-up, removal and disposal of hazardous wastes or substances. Some of these laws and regulations (such as, for example, the Comprehensive Environmental Response Compensation and Liability Act [CERCLA]) provide for broad liability on the part of owners, tenants, or other users of property for clean-up costs and damages, regardless of fault. Other laws and regulations set standards for the handling of asbestos, and establish requirements for the use, modification, abandonment, and closure of underground storage tanks.

It is not practical or possible to list all such laws and regulations in this Notice. Therefore, Lessors and Lessees are urged to consult legal counsel to determine their respective rights and liabilities with respect to the issues described in this Notice, as well as all other aspects of the proposed transaction. If hazardous wastes or substances have been, or are going to be used, stored, handled or disposed on the Property, or if the Property has been or may have underground storage tanks, it is essential that legal and technical advice be obtained to determine, among other things, the nature of permits and approvals which have been obtained or may be required; the estimated costs and expenses associated with the use, storage, handling, clean-up, disposal or removal of hazardous wastes or substances; and the nature and extent of contractual provisions necessary or desirable in this transaction. Broker recommends expert assistance and site investigation to determine past uses of the property, which may provide valuable information as to the likelihood of hazardous wastes or substances, or underground storage tanks, being on the Property.

Lessor agrees to disclose to Broker and to Lessee any and all information which he/she/it has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks, in, on, or about the Property.

Broker has conducted no investigation regarding the subject matter hereof, except as may be contained in a separate written document signed by Broker. Broker makes no representations concerning the existence or nonexistence of hazardous wastes or substances, or underground storage tanks, in, on, or about the Property. Lessee should contact a professional, such as a civil engineer, industrial hygienist or other persons with experience in these matters, to advise on these matters.

The term "hazardous wastes or substances" is used herein in its very broadest sense and includes, but is not limited to, petroleum based products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substances and underground storage tanks may be present on all types of real property. This Notice is intended to apply to any transaction involving any type of real property, whether improved or unimproved.

BROKER DISCLOSURE

The parties hereby expressly acknowledge that Broker has made no independent determination or investigation regarding the following: present or future use or zoning of the property; environmental matters affecting the Property; the condition of the Property, including, but not limited to structural, mechanical and soils conditions, as well as issues surrounding hazardous wastes or substances as set out above; violations of the Occupational Safety and Health Act or any other federal, state, county or municipal laws, ordinances, or statutes; measurements of land and/or buildings. Lessee agrees to make its own investigation and determination regarding such items.

A real estate broker is qualified to advise on real estate. If you desire legal advice, consult your attorney.

AMERICANS WITH DISABILITIES ACT (ADA)

Owners or tenants of real property may be subject to the Americans with Disabilities Act (ADA), a federal law codified at 42 USC Section 12101 et seq. Among other requirements of the ADA that could apply to your property, Title III of the Act requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons. The regulations under Title III of the ADA are codified at 28 CFR Part 36.

Broker recommends that you and your attorney review the ADA and the regulations, and, if appropriate, your proposed lease or Lease and sale agreement, to determine if this law would apply to you and the nature of the requirements. These are legal issues. You are responsible for conducting your own independent investigation of these issues.

COMPLIANCE WITH LAWS

The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

RECEIPT OF A COPY OF THIS NOTICE AND AGREEMENT IS HEREBY ACKNOWLEDGED.

Lessor
Pacific Terminals, Ltd.

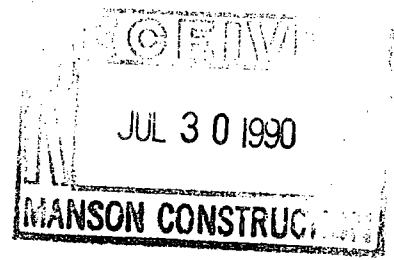
Sub-Lessee
The Maust Corporation

By S. Caccione Baumann
Its Vice President
Dated: June 9, 1997, 1997

By Larry J. Dennis
Its President
Dated: 6/4, 1997

CONSULT YOUR ADVISORS NO REPRESENTATION OR RECOMMENDATION IS MADE BY CB COMMERCIAL REAL ESTATE GROUP, INC. OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL EFFECT, INTERPRETATION, OR ECONOMIC CONSEQUENCES OF THIS AGREEMENT, THE TRANSACTION CONTEMPLATED HEREUNDER, THE NATIONAL FLOOD INSURANCE PROGRAM AND RELATED LEGISLATION, NOR OF OTHER LEGISLATION REFERRED TO HEREIN. THESE ARE QUESTIONS THAT YOU SHOULD ADDRESS WITH YOUR CONSULTANTS AND ADVISORS.

Law Offices of
CARNEY, STEPHENSON, BADLEY, SMITH & SPELLMAN
A PROFESSIONAL SERVICE CORPORATION
2300 COLUMBIA CENTER
701 FIFTH AVENUE
SEATTLE, WASHINGTON 98104
(206) 622-8020



MEMORANDUM OF TRANSMITTAL

File No. **MAN001.0037**

Date: **July 27, 1990**

To: **Mr. Dan Dolmseth
MANSON CONSTRUCTION & ENGINEERING CO.
P. O. Box 24067
Seattle, WA 98124**

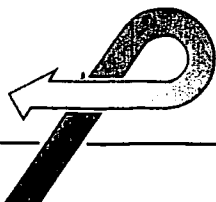
Re: **Manson/Pacific Terminals Limited**

Enclosed:

Sublease between Manson and Pacific Terminals Limited (triplicate originals) and letter agreement dated July 26, 1990, for signature. Please return two executed copies of the Sublease to me, plus the letter agreement. I will return one copy of the Sublease to Irv and Mandy.

CARNEY, STEPHENSON, BADLEY, SMITH & SPELLMAN, P.S.

By *Milton C. Smith*
Milton C. Smith



PACIFIC TERMINALS LIMITED

July 26, 1990

Manson Construction & Engineering Co.
P.O. Box 24067
Seattle, WA 98124

Attention: Mr. Glenn A. Edwards, President

Gentlemen:

We refer to the Sublease entered into as of this date between our two companies, in particular to paragraph 4 thereof and also our Non-Recourse Installment Note attached as Exhibit B thereto (the "Note").

This will confirm our agreement that, notwithstanding anything stated in the Sublease, the Note, or otherwise, no default shall have occurred under paragraph 4 of the Sublease or under the Note so long as we have done the following:

- (a) Paid, by August 1, 1990, all interest then due; and
- (b) Resumed and maintained, starting August 1, 1990, the installment payment schedule called for in the Note, as of the last-numbered installment that was actually made. (In other words, the installments will remain at \$4,853/month until a total of 24 such installments have been paid, then they will increase to \$10,757 for the remaining months.)

Please indicate your confirmation of this agreement by signing and returning to us a copy of this letter.

Yours very truly,

PACIFIC TERMINALS LIMITED

By: 

Amanda Rasmussen
Its: Secretary

AGREED:

MANSON CONSTRUCTION &
ENGINEERING CO.

By: 

Its: CFO

SUBLEASE

This Sublease is entered into as of the 26th day of July 1990, effective November 1, 1988, between MANSON CONSTRUCTION & ENGINEERING COMPANY ("Manson"), as Landlord, and PACIFIC TERMINALS LIMITED ("Pacific"), as Tenant.

WHEREAS, Manson is the lessee of real property from Othello Street Warehouse Corporation, as lessor under a lease dated October 21, 1988, a copy of which is attached as Exhibit A (the "Othello/Manson Lease"); and

WHEREAS, Pacific desires to lease a portion of such property from Manson, as described herein;

NOW, THEREFORE, the parties enter into this Sublease as follows:

1. Lease. Pacific (hereinafter called "Tenant") hereby leases the premises described as "Parcel A" in "Exhibit A" to the Othello/Manson Lease (the "Premises") from Manson (hereinafter called "Landlord") for the term, price and conditions hereinafter set forth. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Sublease, AS IS.

2. Term. This Sublease shall be for the same term, and shall include the same definitions and rights of options to extend the lease, as are set forth in Article 2 of the Othello/Manson Lease. Tenant will pay a pro rata share of the monthly rent stated in Article 3 hereof for the period prior to November 1, 1988 in which it occupies the Premises.

3. Monthly Rent. Later Charges and Interest.

3.1. For the two-month period through December 31, 1988, the monthly rent shall be \$6,440.00 per month. For the period from January 1, 1989 through October 31, 1990, the monthly rent shall be \$7500.00 per month. Thereafter, the rent shall be increased in the percentages provided for in the Othello/Manson Lease.

3.2. Articles 3.2 through Article 18 and Articles 20-32 of the Othello/Manson Lease are incorporated herein by reference as though fully set forth herein and made a part hereof, with the agreement that where Landlord is referred to under this Sublease, the reference is intended to be Manson as Landlord, and where Tenant is referred to, the reference is intended to be Pacific as Tenant.

4. Cross Default. An additional cause for default under Article 14 of the Lease (incorporated by reference in Paragraph 3

herein) shall be the failure by Pacific to pay after ten (10) days notice of default, any installment when due on the attached Non-Recourse Promissory Note between Manson and Mega Terminals, Inc. (now Pacific Terminals Limited) (Exhibit B) and the Statement of Intent with respect thereto (Exhibit C).

Notices. Any notice required to be given by either party to the other shall be in writing and mailed registered mail, return receipt requested, postage prepaid, and addressed as follows:

TO LANDLORD:

c/o Manson Construction & Engineering Co.
ATTN: Glenn A. Edwards
5209 East Marginal Way S.
Seattle, WA 98124

TO TENANT:

c/o Pacific Terminals Limited
ATTN: Amanda Rasmussen
660 S. Othello Street
Seattle, WA 98108

cc: Thomas E. Kimball
Kimball & Associates
P.O. Box 6866
San Carlos, CA 94070

MANSON CONSTRUCTION & ENGINEERING CO.

By: 

Its: cto

PACIFIC TERMINALS LIMITED

By: 

Amanda Rasmussen

Its: Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 27th day of July, 1990, before me personally appeared AMANDA RASMUSSEN, to me known to be the SECRETARY of PACIFIC TERMINALS LIMITED, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Milton C. Smith
Notary Public in and for the State
of Washington, residing at Seattle

My Commission Expires: 12-10-93

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 27th day of July, 1990, before me personally appeared DANIEL J. DOLMSETH, to me known to be the CFO of MANSON CONSTRUCTION & ENGINEERING CO., who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Roberta J. Larey
Notary Public in and for the State
of Washington, residing at Redmond

My Commission Expires: 10-24-93

secr\ee\mcs\sublease,kkl

EXHIBIT "A"

LEASE AGREEMENT

THIS LEASE, made on October 24, 1988, between Othello Street Warehouse Corporation, a Washington corporation ("Landlord") and Manson Construction & Engineering Co., a Washington corporation ("Tenant"). Landlord and Tenant agree as follows.

Recitals.

A. Landlord is acquiring the improved real property, including the crane, located in Seattle, King County, Washington, which is described in Exhibit A ("Premises").

B. Landlord is willing to lease the Premises to Tenant and Tenant is willing to lease the Premises from Landlord pursuant to the terms of this Lease.

1. Lease.

Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Lease, AS-IS.

2. Term and Extensions.

2.1 This Lease shall be for a term of ten (10) years, commencing on the 1st day of November, 1988, and expiring at 11:59 P.M. on October 31, 1998 ("Initial Lease Term"). Tenant shall also occupy the Premises from the date of this Lease until the Commencement date for a daily rental of \$1,344.10.

2.2 "Lease Year" shall mean a period of twelve (12) calendar months, commencing on the first day of November and ending on the last day of October at 11:59 P.M.

2.3 Tenant shall have two options to extend the Initial Lease Term, each for a period of five (5) Lease Years. In each case, if Tenant exercises an option to extend, Tenant shall provide written notice of extension to Landlord prior to the commencement of the then last Lease Year of the Initial Lease Term or extended Initial Lease Term. Any and all of Tenant's options to extend shall automatically terminate if not exercised in strict accordance with the terms of this Paragraph or if Tenant is in default pursuant to this Lease and fails to cure the default within any permitted cure period. Tenant's second option

to extend shall automatically terminate if Tenant fails to exercise its first option to extend.

2.4 "Lease Term" shall mean the Initial Lease Term as the same may be extended by Tenant pursuant to Paragraph 2.3.

2. Monthly Rent, Late Charges and Interest.

3.1 From the commencement date of this Lease ("Commencement Date") until the end of the second Lease Year, Tenant shall pay Landlord a fixed monthly rent of Forty-One Thousand Six Hundred Sixty-Seven Dollars (\$41,667).

3.2 The fixed monthly rent payable during the previous two calendar years shall be increased on the first day of the third Lease Year, the fifth Lease Year, the seventh Lease Year and the ninth Lease Year, (and if Tenant further extends the Initial Lease Term every two Lease Years thereafter), by the percentage increase in the Consumer Price Index during the previous two (2) calendar years. Irrespective of the actual change in the Consumer Price Index, each increase in the monthly rent shall be no less than four percent (4%) for any calendar year and no more than eight percent (8%) for any calendar year, compounded annually. "Consumer Price Index" shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, All Items for All Urban Consumers, 1967 = 100, for the Seattle-Tacoma Metropolitan Area. If publication of the Consumer Price Index is discontinued or the Consumer Price Index is no longer published at the end of each calendar year, the parties shall make such adjustments as may be reasonably required to effectuate the intention of the parties or accept comparable statistics on the cost of living as computed and published by an agency of the United States or by a responsible financial periodical of recognized authority mutually agreed to by the parties. If the parties do not agree upon such adjustments or the selection of a substitute index on or before the tenth (10th) business day after demand by either party, the adjustment or substitute index shall, on application of either party, be made by the chief officer of the Seattle office of the Bureau of Labor Statistics or its successor. If the chief officer fails to make the adjustment or selection within thirty (30) days of the application of either party, the adjustment or selection shall be made in arbitration in accordance with the then prevailing rules of the American Arbitration Association.

3.4 All fixed monthly rent shall be paid by Tenant in advance on or before the first day of each calendar month without setoff or deduction of any kind whatsoever.

3.5 If Tenant fails to make payment of any fixed monthly rent on or before the fifth (5th) day of the month in which it is due, in addition to the delinquent rent Tenant shall pay Landlord a late fee equal to five percent (5%) of the delinquent rent to compensate Landlord for damages suffered by Landlord and the extra administrative expense incurred by Landlord in collecting the delinquent rent. The late charge shall be in addition to, and not in lieu of, any other right or remedy of Landlord.

3.6 If Tenant fails to make timely payment of any amounts due to third parties from Tenant in accordance with the terms of this Lease, Landlord shall have the right (but not the obligation) to make such payments to third parties. If Landlord makes any such payments to third parties or if Tenant fails to make any payments to Landlord required pursuant to this Lease, such amounts paid by Landlord to third parties or not timely made to Landlord by Tenant, as applicable, shall bear interest from the date of Landlord's disbursement (in the case of payments to third parties) or the due date (in the case of payments due from Tenant to Landlord) at the rate of twelve percent (12%) per annum. Tenant shall not be required to pay interest on any monthly rent received by Landlord on or before the tenth day of the month in which it is due. However, the late charge mentioned above shall apply to any such delinquent payment of rent received by Landlord subsequent to the fifth (5th) day of the month in which it is due. In addition to such interest, Tenant shall pay all costs reasonably incurred by Landlord in collecting any such delinquent payments, including, but not limited to, legal fees and court costs.

4. Quiet Enjoyment.

Subject to the other terms of this Lease and Tenant's full, complete and timely performance of all of Tenant's obligations pursuant to this Lease (and cure of any default within any permitted cure period), during the Lease Term Tenant shall have the exclusive right of possession and the quiet enjoyment of the Premises.

5. Use of Premises.

5.1 Tenant shall be entitled to use the Premises for general office and warehouse purposes, but for no other purpose without the prior written consent of Landlord.

5.2 Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of Tenant's use or occupancy of the Premises.

5.3 Tenant shall keep the Premises clean and in a sanitary condition to the satisfaction of the Health and Fire Departments of the City of Seattle and shall comply with any applicable local, city, county, state or federal statute, ordinance, rule or regulation.

5.4 Tenant shall use the Premises in such a manner as not to adversely affect the roof of the Premises or the structural integrity of the building in which the Premises are located.

5.5 Tenant shall not cause, suffer or permit the discharge or emission of any offensive or hazardous substances, sounds or odors from the Premises.

5.6 Tenant shall not cause, suffer or permit any activity at the Premises which results in a nuisance.

5.7 Tenant shall not cause, suffer or permit the presence or storage at the Premises of any hazardous substance, flammable materials, explosive materials or anything else which creates a health or safety hazard.

6. Taxes and Utilities.

6.1 Prior to delinquency, Tenant shall pay all service charges for light, heat, water, sewage and garbage, and all other similar utility or other service charges which shall be charged against the Premises during the Lease Term.

6.2 Prior to delinquency, Tenant shall pay all real property taxes and public assessments now or subsequently levied against the Premises during the Lease Term. Tenant shall pay such amounts directly to the taxing authority and shall provide to Landlord prior to the delinquency of any such amount a copy of the billings and Tenant's check for payment.

6.3 Tenant shall not permit the Premises to be encumbered with any tax or assessment resulting from activities or improvements of Tenant without the prior consent of Landlord. Tenant shall have the right to contest the amount and validity of any tax or assessment with respect to the Premises. Prompt written notice of any protest action by Tenant shall be given to Landlord by Tenant. Further, Tenant shall keep Landlord fully advised of the progress of any such protest action. Tenant shall indemnify, defend and hold Landlord harmless from and against any cost or expense attributable to any such protest action,

including, without limitation, legal fees and court costs. Nothing in this Paragraph shall be construed to modify Tenant's covenant to pay taxes or assessments prior to delinquency or to prohibit Landlord from instituting any such contest on its own initiative.

7. Improvements and Alterations.

7.1 Tenant shall not, without the prior written consent of Landlord, alter, improve or add to the improvements on the Premises or install or attach thereto any fixtures or equipment.

7.2 Any alterations, improvements, additions, installations or attachments made by Tenant to the Premises pursuant to Paragraph 7.1 ("Tenant Improvements") shall be made at Tenant's sole cost and expense and shall, at the option of Landlord, become the property of Landlord at the expiration or termination of this Lease. No later than thirty (30) days following the expiration or termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove any Tenant Improvements which Landlord requires to be removed from the Premises. The foregoing covenant of Tenant shall survive the expiration or termination of this Lease. At the expiration or termination of this Lease (or immediately following Tenant's removal of any Tenant Improvements required to be removed by Landlord, as applicable), at Tenant's sole cost and expense, Tenant shall return the Premises to the condition existing on the Commencement Date (and any Tenant Improvements not required by Landlord to be removed by Tenant to the condition existing on the date of installation), ordinary wear and tear and damage by insured casualty excepted.

8. Maintenance of Premises.

8.1 Except as provided in Paragraph 8.3 below, Tenant shall, at Tenant's sole expense, keep the Premises (including, without limitation, the roof, exterior walls and foundation of the Premises) in the condition existing on the Commencement Date and any Tenant Improvements in the condition existing on the date of installation, ordinary wear and tear and damage by insured casualty excepted.

8.2 If Tenant fails to maintain the Premises or any Tenant Improvements in the agreed condition, Landlord shall have the right (but not the obligation) to cause the Premises or Tenant Improvements to be put into such condition. If Landlord elects to perform Tenant's obligations with respect to the maintenance of the Premises or any Tenant Improvements, Tenant shall pay all costs incurred by Landlord to put the Premises or Tenant Improvements into such condition no later than ten (10) days following written demand from Landlord for payment.

8.1 Landlord shall be obligated to pay a maximum of two percent (2%) of the rent paid by Tenant pursuant to this Lease to repair the roof, exterior walls and foundation of the Premises. Landlord shall accrue two percent (2%) of the rent paid by Tenant pursuant to this Lease on the books of Landlord. If repair of the roof, exterior walls or foundation of the Premises is required, Tenant shall notify Landlord of the need for such repair and the estimated cost of such repair. Tenant shall cause such repairs to be completed at Tenant's sole cost and expense and shall provide Landlord with reasonable proof of payment. Within ten (10) business days of receipt of Landlord of such evidence of payment, Landlord shall reimburse Tenant the cost of such repairs up to the aggregate amount of two percent (2%) of the rent previously paid by Tenant to Landlord as accrued by Landlord on its books as provided above. If the amount accrued by Landlord is insufficient to fully reimburse Tenant, Tenant shall deduct two percent (2%) of each subsequent rent payment until Tenant has received full reimbursement for the cost of such repairs. Thereafter, Landlord shall again begin to accrue two percent (2%) of the rent paid by Tenant for future repairs. The parties intend that any unused accrual by Landlord shall be the property of Landlord.

9. Indemnification and Insurance.

9.1 Landlord shall not be liable to Tenant or to any person, firm or corporation whatsoever for any injury to or death of any person, or for any loss of or damage to property (including property of Tenant) occurring in or about the Premises from any cause whatsoever, except for the negligence or willful misconduct of Landlord. Except for any matter described in this Paragraph which results from the negligence or willful misconduct of Landlord, Tenant agrees to defend, indemnify and save Landlord harmless from any loss, damage, liability or expense (including expense of litigation) arising out of or resulting from any actual or alleged injury to or death of any person, or from any actual or alleged loss of or damage to property caused by or resulting from any occurrence on or about the Premises, including, but not limited to, damage or loss caused by or resulting from any act or omission, whether negligent or otherwise, of Tenant, or any officer, agent, employee, contractor, guest, invitee, customer or visitor of Tenant.

9.2 Tenant shall keep the Premises and any Tenant Improvements insured at its expense under policies of all-risk insurance during the term of this Lease to the full insurable value, and shall furnish certificates evidencing such insurance coverage and renewals thereof to Landlord and to any mortgagee of the Premises or other parties financing Landlord's ownership, with loss payable to Landlord, Tenant and such mortgagee,

financial institution or other party, as their respective interests may appear. Landlord will notify Tenant on or before the Commencement Date, and from time to time thereafter at intervals no more frequent than annually, of the amount of insurance coverage required hereunder, and Tenant may rely on said amount as being the full insurable value for the purposes of this Lease. Such insurance policies shall provide that such policies may not be cancelled without thirty (30) days prior written notice to Landlord and all other insureds. The policies of insurance maintained by Tenant pursuant to this Paragraph shall contain a mutual waiver of subrogation clause between Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership.

9.3 Tenant shall maintain public liability insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises or other parties financing Landlord's ownership in the minimum amount of Two Million Dollars (\$2,000,000) in all-risk form. If substantially cheaper public liability insurance is available to Tenant in the future, the amount of public liability coverage shall be increased to such amount as is agreed to by Landlord and Tenant.

9.4 Tenant shall maintain rental loss/~~business interruption~~ insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership of the Premises in the minimum amount of the rent payable during the Lease Year in which the insurance is maintained. 902
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9.5 Each policy of insurance maintained by Tenant pursuant to this Paragraph 9 shall be in form and substance reasonably acceptable to Landlord; shall be issued by insurance companies reasonably acceptable to Landlord; and shall contain such endorsements and provisions as Landlord, any mortgagee of Landlord and any other party financing Landlord's ownership of the Premises may reasonably require consistent with standard business practice.

10. Landlord's and Tenant's Access.

Tenant will allow Landlord or Landlord's agents access to the Premises at all reasonable times for any reasonable purpose.

11. Tenant's Signs.

Tenant shall have the right to install and maintain signs and displays on the Premises, with the consent of Landlord.

12. Loss.

If the Premises or any Tenant Improvements are damaged or destroyed by any cause ("Loss"), then Landlord shall have the right to:

(a) Terminate this Lease effective as of the date of such Loss by giving to Tenant within thirty (30) days of the occurrence of such Loss written notice of such termination and neither Landlord nor Tenant shall not have any future obligations hereunder; or

(b) Promptly repair and restore the Premises to its condition prior to the damage or such other condition as agreed in writing by the parties, at Tenant's sole cost and expense. Pending restoration of the Premises and Tenant Improvements, rent shall be not be abated or reduced in any manner whatsoever.

If a Loss occurs and Landlord terminates this Lease, Landlord shall be entitled to all casualty insurance proceeds paid as a result of the Loss and rental loss insurance to the extent of any rent unpaid by Tenant. Tenant shall be entitled to the balance of any ~~business-interruption~~ insurance proceeds.

Rental Loss
If a Loss occurs and this Lease is not terminated, Tenant shall repair the Premises to the condition existing prior to the Loss and Landlord shall make available to Tenant such proceeds of casualty insurance as may be required to repair the Premises. Any excess casualty insurance proceeds shall be the property of Landlord. Any deficiency in casualty insurance proceeds shall be paid by Tenant.

13. Eminent Domain and Requisition of Use.

If during the Lease Term any interest in the Premises, whether in land, building or improvements, or Tenant Improvements is taken as a result of the exercise of the power of eminent domain or requisition of use thereof (herein a "Taking"), and such Taking substantially impairs Tenant's tenability of the balance of the Premises, then this Lease shall terminate in respect of the entire Premises on the date title is vested in or partial possession is taken by the condemnor or requisitioning body, whichever first occurs, pursuant to the eminent domain or requisition proceedings. Such Taking shall be deemed to have substantially impaired Tenant's tenability of the balance of the Premises in any case where the area of the Premises after such Taking is less than eighty percent (80%) of the originally leased area of the Premises. If such Taking does not substantially impair Tenant's tenability of the balance of the Premises, then this Lease shall terminate only in respect of the

portion of the Premises affected by such Taking, and the amount of the rental payable hereunder shall be reduced by the amount of the rental proportionate to the portion of the Premises subject to such Taking, effective upon the date title is vested in, or possession is taken by, the condemnor or requisitioning body, whichever first occurs, pursuant to the eminent domain requisition proceedings. Any award made in eminent domain proceedings or rentals for requisition of use shall be distributed between Landlord and Tenant as follows:

(a) First, Landlord shall receive any amount awarded to compensate for repairs necessary to restore the balance of the Premises and Tenant Improvements to use;

(b) Next, Landlord receive all sums attributable to compensation for the Taking of the affected portion of the Premises and Tenant Improvements;

(c) Next, Tenant shall receive all sums attributable to compensation for any moving or other expenses resulting from such Taking; and

(d) Landlord shall receive any remaining balance.

If condemnation proceeds are distributed to Landlord for repairs necessary to restore the balance of the Premises and Tenant Improvements, Tenant shall cause such restoration to be completed and Landlord shall make available such condemnation proceeds as are necessary to effect the restoration. Landlord shall be entitled to any excess condemnation proceeds and Tenant shall pay any deficiency.

14. Default.

If Tenant fails to keep and perform any of the covenants and agreements of this Lease after written notice from Landlord specifying such default and permitting Tenant no less than ten (10) days to remedy a monetary default and no less than thirty (30) days to remedy a non-monetary default, then Landlord may cancel this Lease. If Landlord cancels this Lease, Tenant shall remain liable to Landlord for all obligations of Tenant specified in this Lease for the remainder of the Lease Term (exclusive of any extension periods not exercised by Tenant). Notwithstanding such re-entry by Landlord, the liability of Tenant for rent and all other obligations of Tenant specified in this Lease shall not be extinguished for the balance of the Lease Term (exclusive of any extension periods not exercised by Tenant). Tenant covenants and agrees to make good to the Landlord any deficiency arising from any re-entry and re-letting of the Premises at a lesser rental or other less favorable terms than those to which Tenant

is bound pursuant to this Lease, plus the cost of renovating the Premises for any new tenant(s) and re-letting it, which amounts Tenant shall pay each month in the manner required for rent hereunder.

15. Insolvency.

If Tenant becomes either insolvent or bankrupt, or if a receiver is appointed for Tenant, Landlord may at its option cancel this Lease.

16. Assignment and Sublease.

Tenant may assign this Lease or sublet the Premises, in whole or in part, with the prior written consent of Landlord. Notwithstanding any such assignment or subletting by Tenant, Tenant shall not be released from liability under this Lease.

17. Lender Consent.

This Lease shall not be amended or modified in any manner whatsoever without the prior written consent of any lender now or hereafter having a recorded mortgage instrument of public record which affects the Premises or this Lease. Tenant shall fully cooperate with Landlord in connection with Landlord's efforts to obtain any such consent of lender.

18. Subordination.

This Lease shall be inferior to and subordinate to any mortgage which affects the Premises whether such mortgage affects the Premises prior to, concurrently with, or subsequent to the date on which this Lease affects the Premises. Tenant's agreement with respect to the priority for this Lease stated in the foregoing sentence is subject to the agreement of any lender with a superior mortgage agreeing to recognize this Lease if the mortgage is foreclosed and Tenant is not in default hereunder. Upon request by Tenant, any such lender shall execute and deliver to Tenant a Subordination and Non-Disturbance Agreement in form reasonably required by Tenant to effectuate the protection of Tenant mentioned in this Paragraph.

19. Notices.

Any notice required to be given by either party to the other shall be in writing and mailed registered mail, return receipt requested, postage prepaid, and addressed as follows:

TO ~~LANDLORD~~
TENANT

c/o Manson Construction & Engineering
Co., 5209 East Marginal Way, Seattle,
Washington 98124

Attention: Glen A. Edwards

TIA
[Signature]

LANDLORD
TO TENANT:

c/o Alston, Courtnage, MacAulay &
Proctor, Suite 1900, 1900 Second Avenue,
Seattle, Washington 98104. Attention:
Thaddas L. Alston

or to such other address as either Landlord or Tenant may hereafter designate in writing to the other from time to time. Notices shall be deemed given and effective upon deposit in the United States Mail.

20. Entire Agreement.

This Lease supersedes all prior oral discussions and written matter of the parties concerning the subject matter hereof, and shall not be varied except by a writing concurrent with or subsequent hereto executed by the parties hereto.

21. Covenants Binding on Assigns.

The covenants and agreements of this Lease shall be binding not only upon the Landlord and Tenant, but also upon their successors and permitted assigns.

22. Construction of Terms.

Time is of the essence hereof. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against Landlord or Tenant. Paragraph headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or modifying the provisions hereof.

23. Estoppel Certificates.

Upon request by Landlord, Tenant shall execute and deliver to Landlord (or any purchaser, lender or other interested party designated by Landlord), an estoppel certificate which shall provide the following information and such other information as Landlord shall reasonably request: (a) the date on which this Lease was executed and the date on which the Lease Term expires; (b) the amount of the minimum monthly rent; (c) the date to which rent has been paid; (d) the fact that this Lease is in full force and effect; (e) that all required contributions by Landlord for improvements to the Premises have been made (or if not made, the nature of any outstanding required contributions by Landlord); (f) that Landlord is not in default under the Lease (or if Landlord is in the default, the nature of the default); and (g) that Tenant is not entitled to any offset or deduction with respect to rent payable pursuant to this Lease (or if Tenant is so entitled, the amount and nature of such right of offset or

deduction).

24. Waiver, Voluntary Acts.

No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular rental payment.

25. Holding Over.

Should Tenant, with the consent of Landlord, hold possession of any portion of the Premises after expiration of the Lease Term, Tenant shall become a tenant from month to month in respect thereof upon all the terms, conditions and covenants of this Lease.

26. Covenants Binding on Assigns.

The covenants and agreements of this Lease shall be binding not only upon the Landlord and Tenant, but also upon their successors and permitted assigns.

27. Construction of Terms.

Time is of the essence hereof. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against Landlord or Tenant. Paragraph headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or modifying the provisions hereof.

28. Attorney's Fees.

If either party brings any action or proceeding to enforce, interpret, protect or establish any right or remedy pursuant to this Lease, the prevailing party shall be entitled to recover all costs and reasonable attorney's fees, as the court may allow. Arbitration is an action or proceeding for the purpose of this provision.

29. Net Lease.

It is intended by Landlord and Tenant that this Lease is absolutely net to Landlord, without any expense of any nature to

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Landlord except as specifically provided herein. Tenant shall be responsible for payment of all expenses, and for any loss or damage, connected with or related to the Premises, including but not limited to those items of expense or damage specifically set forth herein.

30. Arbitration.

If any dispute arises between the parties with respect to this Lease, the dispute shall be submitted for decision by a commercial real estate expert jointly selected by Landlord and Tenant from Grubb & Ellis, Coldwell Banker or Kidder Mathews & Segner. If the parties fail to agree upon the real estate expert within fifteen (15) business days of demand by either party, the expert shall be selected by the Presiding Department of the King County Superior Court on motion of either party. The decision of the real estate expert shall be binding upon Landlord and Tenant. Notwithstanding the foregoing, payment of rent by Tenant to Landlord or payment of other payment obligations of Tenant to Landlord or third parties shall not be subject to arbitration.

31. Right of First Refusal.

So long as Tenant is not in default under this Lease, Tenant shall have a right of first refusal to purchase the Premises ("First Refusal") during the Lease Term. The First Refusal shall terminate on the termination of the Lease Term. If Landlord receives a bona fide offer to purchase the Premises on terms acceptable to Landlord ("Acceptable Offer"), Landlord shall provide a copy of the Acceptable Offer to Tenant. Tenant shall have a period of ten (10) business days from receipt of the copy of the Acceptable Offer within which to agree to purchase the Premises on the same terms as stated in the Acceptable Offer. If Tenant does not exercise the First Refusal within the period of ten (10) business days, Landlord shall have the right to sell the Premises on the terms stated in the Acceptable Offer. If Tenant exercises the First Refusal, Tenant shall do so by written notice to Landlord and compliance by Tenant with the terms of the Acceptable Offer, including, but not limited to, the payment of any earnest money deposit required by the terms of the Acceptable Offer. If Tenant does not exercise the First Refusal, it shall, subject to the terms of this Paragraph, continue in existence until the termination of the Lease Term.

32. Financial Information.

From time to time, upon request by Landlord, Tenant shall provide to Landlord's lender such current financial information with respect to Tenant and its operations as is customarily produced by Tenant, including, but not limited to

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Tenant's most current financial statement. Any such lender shall keep Tenant's financial information confidential.

(Landlord)

Othello Street Warehouse Corporation

By Thaddas L. Alston

Thaddas L. Alston, Authorized Signer

(Tenant)

Manson Construction & Engineering Co.

By [Signature]
Its Pres.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of October, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Thaddas L. Alston, known to me to be the Authorized Signer for Othello Street Warehouse Corporation, the corporation which executed the foregoing document and he acknowledged to me that he signed the foregoing document as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned and that he was authorized to do so.

WITNESS my hand and official seal the day and year in this certificate above written.

Theresa P. McCombs
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle.
My Commission Expires: 1-1-89

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of October, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared *Theresa P. McCombs* known to me to be the *President* of Manson Construction & Engineering Co., the corporation which executed the foregoing document and he acknowledged to me that he signed the foregoing document as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned and that he was authorized to do so.

WITNESS my hand and official seal the day and year in this certificate above written.

Theresa P. McCombs
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle.
My Commission Expires: 1-1-89

EXHIBIT A

LEGAL DESCRIPTION

PARCEL A:

Those portions of the abandoned beds of the Duwamish River lying within the northeast quarter of the southwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

TOGETHER WITH those portions of Tracts 19 and 20, Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, and all being more particularly described as follows;

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'25''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north margin of South Othello Street, as dedicated in said plat; thence north $89^{\circ}58'57''$ west along said right-of-way, 477.36 feet to the southwest corner of said Tract 20 and the true point of beginning; thence south $20^{\circ}44'33''$ east, a distance of 53.47 feet to the northwest corner of Tract 16 of said plat; thence south $10^{\circ}03'29''$ west, a distance of 38.93 feet to the easterly margin of Commercial Waterway District No. 1 and the most westerly corner of Tract 16; thence north $49^{\circ}00'00''$ west along said easterly margin, 65.71 feet to a point of intersection of Commercial Waterway District No. 1 margin; thence continuing along said easterly margin north $43^{\circ}32'00''$ west, a distance of 365.49 feet to the south line of South Garden Street projected westerly; thence along said projection line and the south margin of South Garden Street and the north line of said Tracts 19 and 20 east, a distance of 359.87 feet to a point on a line that is 700.00 feet west of and parallel with the east line of Tract 17 of said plat; thence south $0^{\circ}08'57''$ east, a distance of 219.78 feet to the north margin of South Othello Street and the south line of said Tract 20; thence north $89^{\circ}58'57''$ west, a distance of 81.24 feet along said margin to the true point of beginning;

(BEING KNOWN AS Lot A of Lot Line Adjustment Number 8708120, as recorded under Recording Number 8809140174).

PARCEL B:

Those portions of the northeast quarter of the southwest quarter and the southeast quarter of the northwest quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington;

(legal description, continued)

LEGAL DESCRIPTION, continued:

TOGETHER WITH those portions of the abandoned beds of the Duwamish River lying within said quarter sections;

TOGETHER WITH that portion of South Orchard Street, as vacated under Ordinance Number 50034;

TOGETHER WITH those portions of Lots 9 and 10, Block 7, and Tracts 21, 22 and 23 of the Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, all being more particularly described as follows:

Beginning at the south quarter section corner of said Section 29;
 thence north $0^{\circ}57'26''$ east along the centerline of said Section 29,
 a distance of 2255.41 feet to a point on the north margin of South
 Garden Street, as dedicated in said plat, said point being the true
 point of beginning;
 thence west along said margin, 393.23 feet;
 thence south $00^{\circ}00'00''$ east, a distance of 60.00 feet;
 thence west along the south margin of Garden Street projected 418.36
 feet to a point on the easterly margin of the Commercial Waterway
 District No. 1;
 thence north $43^{\circ}32'00''$ west along said easterly margin, 717.51 feet
 to a point on the south margin of South Myrtle Street produced
 westerly as deduced to the City of Seattle by deed recorded under
 Recording Number 833369;
 thence south $89^{\circ}59'17''$ east along said south margin, 228.47 feet;
 thence north $63^{\circ}10'07''$ east, a distance of 88.58 feet to the
 centerline of South Myrtle Street;
 thence south $48^{\circ}57'17''$ east, a distance of 60.93 feet to the south
 margin of South Myrtle Street produced westerly and the northwest
 corner of a tract of land deduced under Recording Number 2733678;
 thence south $89^{\circ}59'17''$ east along said south margin, 581.76 feet to
 the westerly margin of 7th Avenue South;
 thence south $0^{\circ}00'43''$ west along said west margin, 259.87 feet to
 the south margin of South Orchard Street;
 thence continuing south $0^{\circ}00'43''$ west, a distance of 70.71 feet;
 thence west, a distance of 22.76 feet;
 thence south $0^{\circ}03'53''$ west, a distance of 124.71 feet to a point
 that is 5.00 feet north of the north margin of South Garden Street;
 thence east on a line that is parallel with said north margin,
 401.93 feet the east line of the west 10 feet of Lot 9, Block 7 of
 said plat;
 thence south $0^{\circ}08'57''$ east along said east line, 5.00 feet to the
 north margin of South Garden Street;
 thence west, a distance of 48.28 feet to the true point of beginning

(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL D:

Lots 1 through 5, inclusive, Block 7, Plat of Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington, lying within the Northwest quarter of the southeast quarter of Section 29, Township 24 North, Range 4 East, W.M., in King County, Washington, more particularly described as follows:

Beginning at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 2,256.41 feet to a point on the north right-of-way line of South Garden Street; thence due East along said right-of-way, a distance of 298.28 feet, and the true point of beginning; thence north $0^{\circ}08'57''$ west along said right-of-way line to the south right of way line of South Orchard Street, a distance of 200.14 feet; thence north $89^{\circ}58'32''$ west along said right-of-way line, a distance of 100.00 feet; thence south $0^{\circ}08'57''$ east to the north right-of-way line of South Garden Street, a distance of 200.18 feet; thence due east along said right-of-way line to the true point of beginning, a distance of 100.00 feet.

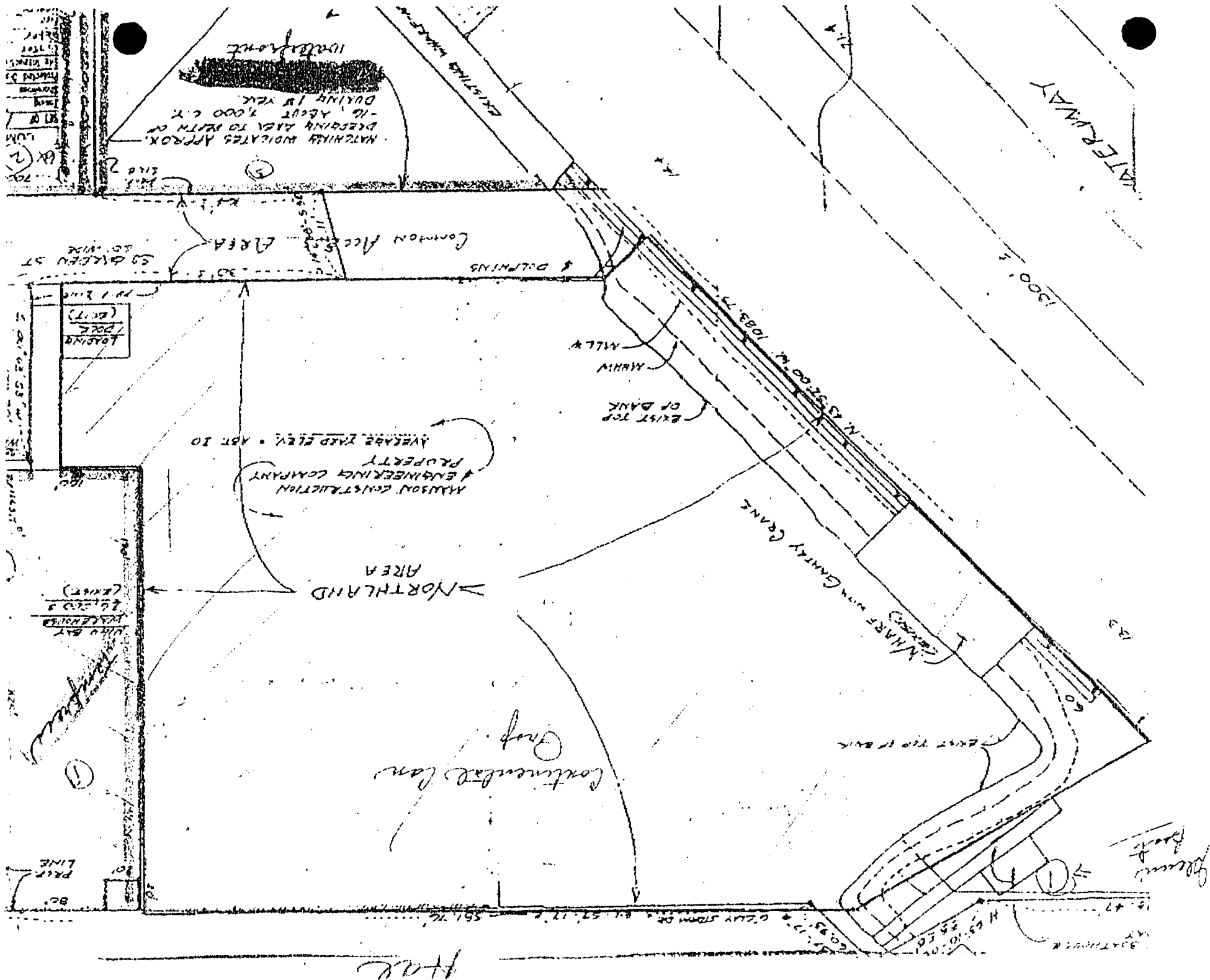
(legal description, continued)

LEGAL DESCRIPTION, continued:

PARCEL E:

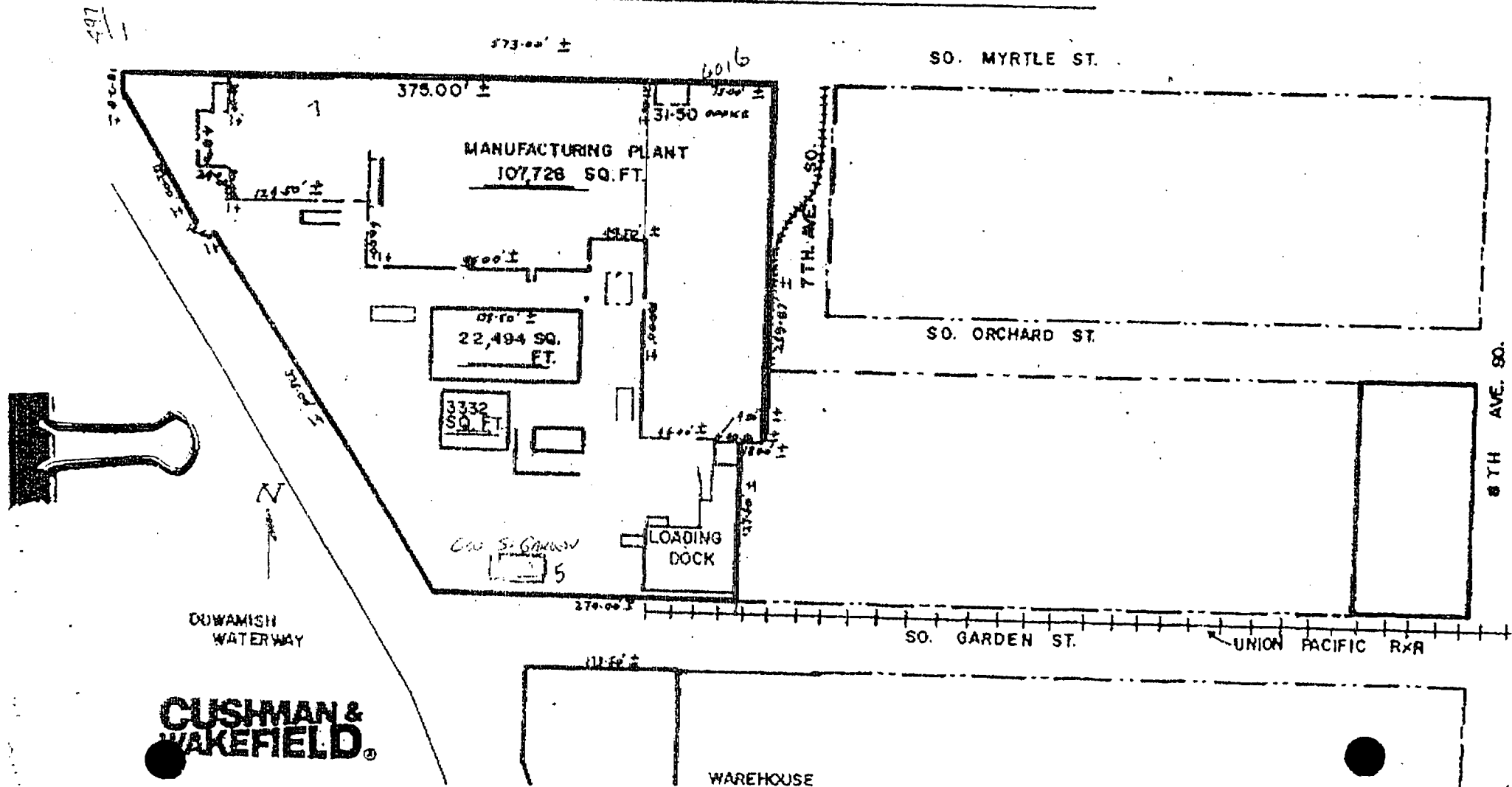
A perpetual easement for rail ingress and egress as granted in instruments recorded under Recording Numbers 8208130666, 8212100106 and 8212100107, said easement being appurtenant to that portion of Parcel B, more particularly described as follows:

Commencing at the south quarter section corner of said Section 29; thence north $0^{\circ}57'26''$ east along the centerline of said Section 29, a distance of 1976.47 feet to a point on the north right-of-way line of South Othello Street, as dedicated in said plat of Duwamish Industrial Addition and the south line of Tract 18; thence north $89^{\circ}58'57''$ west, a distance of 477.56 feet along said right-of-way line to the southwest corner of Tract 20 of said Duwamish Industrial Addition; thence north $20^{\circ}44'33''$ west along the west line of said Tract 20, a distance of 234.98 feet to the south right-of-way line of South Garden Street; thence north $14^{\circ}58'53''$ west, a distance of 62.11 feet to the north right-of-way line of said South Garden Street, and the southwest corner of said Tract 23, and being the true point of beginning; thence due west on the extension of the south line of said Tract 23, a distance of 35.93 feet; thence north $32^{\circ}39'30''$ west, 380.00 feet; thence north $50^{\circ}33'54''$ west, 16.60 feet; thence north $30^{\circ}14'49''$ west, 132.00 feet; thence north $0^{\circ}00'43''$ east, 18.29 feet to the south right-of-way line of South Myrtle Street; thence south $89^{\circ}59'17''$ east along the south right-of-way line of South Myrtle Street, a distance of 572.76 feet to the westerly right-of-way line of 7th Avenue South; thence south $00^{\circ}00'43''$ west along the west line of 7th Avenue South, a distance of 259.87 feet to the south right-of-way line of South Orchard Street and the north line of said Tract 21; thence south $89^{\circ}58'32''$ east along said right-of-way line, a distance of 16.06 feet; thence due south 70.70 feet; thence due west 38.84 feet; thence south $0^{\circ}03'53''$ west, a distance of 129.70 feet to the north right-of-way line of South Garden Street and being the south line of said Tract 23; thence due west along said right-of-way line and south line of Tract 23, a distance of 227.84 feet to the true point of beginning; EXCEPT any portion thereof lying within Parcel B.



CONTINENTAL CAN COMPANY

PLOT PLAN



NON-RECOURSE
INSTALLMENT NOTE

\$400,000.00

Seattle, Washington
October 28, 1988

For value received, the undersigned promises to pay to the order of MANSON CONSTRUCTION & ENGINEERING COMPANY the sum of Four Hundred Thousand and no/100ths Dollars (\$400,000.00) with interest thereon, at the rate of eight percent (8%) per annum from date until paid; principal and interest payable in lawful money of the United States. This Note is payable at Manson's corporate offices in Seattle in monthly installments of principal and interest, commencing November 1, 1988, as follows:

\$4,853/month for 24 months; and

\$10,757/month for the remaining 36 months.

Interest will be calculated on declining monthly balances, due at the time of each installment.

If any of said installments are not so paid, the whole of said principal sum and interest shall become immediately due and collectible at the option of the holder thereof. If suit is necessary to enforce this Note, or to realize on the security therefor, the payee will be entitled to an award of reasonable attorneys' fees incurred in enforcing this action.

This Note is without recourse and upon default, the holders sole and exclusive remedy ^{Under the Note} is through attachment and sale of the security hereinafter described.

The security for this Note is a 50-ton Gantry crane purchased by Mega from Manson in 1987, in which Mega has given Manson a security interest.

MEGA TERMINALS, INC.

By: _____
Its _____

EXHIBIT **B**

November 30, 1988

To: Manson Construction &
Engineering Company

Mega Terminals, Inc. has this date executed a NonRecourse Promissory Note secured solely by a 50-ton Gantry Crane and without further recourse against Mega Terminals, Inc. It is the intent of Mega Terminals, Inc. to pay the Note according to its terms in the regular course of its business along with its obligations to its other creditors unless Mega Terminals, Inc. is required to file bankruptcy.

DATED this 30th day of November, 1988.

MEGA TERMINALS, INC.

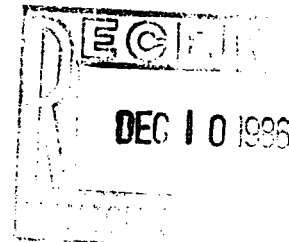
By 
Irving Haug, President

EXHIBIT.....C.....

 **Rainier National Bank**

Commercial Banking Center Main Office: P. O. Box 3966, Seattle, Washington 98124

December 9, 1986



Dan Dolmseth/Controller
Manson Construction & Engineering
P.O. Box 24067
Seattle, WA 98124

RE: B D Partnership

Dan:

Today we have received evidence of insurance for the above referenced loan and it was discovered that the S/N's for the Hyster forklifts are listed incorrectly on the lease. A copy of the invoice shows that the old S/N's were used for the list of forklifts.

Would it be possible to have a corrected first page of the lease sent to us showing the following S/N's?:

H60-80E, S/N D5D 2646E
H60-80E, S/N D5D 2664E
S80E-BCS, S/N CD4-7762-F
S80E-BCS, S/N CD4-7763-F
S80E-BCS, S/N CD4-7764-F
S80E-BCS, S/N CD4-7766-F
S80E-BCS, S/N CD4-7768-F

I have enclosed copies of the current insurance certificate, first page of the lease, Invoice #52378 and your letter dated July 22, 1985. If you have any questions, please call me at 621-5672.

Sincerely,

A handwritten signature in cursive script.

James S. Haynes
Collateral Dept.
CBC Main

RAINIERBANK®

LEASE AGREEMENT

THIS LEASE is made between the B D PARTNERSHIP, a Washington Partnership, LESSOR, and MEGA TERMINALS, INC. a Washington Corporation, LESSEE.

The parties hereto do mutually agree as follows:

1. LEASED ITEMS:

Lessor does hereby lease to Lessee the following property:

- 7 Hyster Forklifts - Model Numbers:	Serial Numbers:
S80EBCS	C4D 7764F
S80EBCS	C4D 7768F
S80EBCS	C4D 7762F
S80EBCS	C4D 7766F
S80EBCS	C4D 7763F
H60-80E	D5D 2646E
H60-80E	D5D 2664E

2. TERM:

The lease shall be for a period of four years, commencing on August 1, 1986 and ending on August 31, 1990.

3. RENT:

The basic rental shall be a monthly rental of \$6,700, which shall be due and paid in advance on the first day of each month. To this price will be added Washington State and Seattle City sales taxes, if applicable, which will be paid by Lessee.

4. USE OF PROPERTY

The leased property is to be used by Lessee in relation to their principal business operation of transporting cargo and related uses. This would include loading and unloading cargo and its storage. No other use of the leased property shall be permitted without first obtaining written consent of the Lessor.

5. ASSIGNMENT OR SUBLEASE

Lessee shall not assign or transfer this lease or any interest therein nor sublet the whole nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the written consent of the Lessor first had and obtained.



CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124
CONTRACTOR REGISTRATION NUMBER 223-01 MA-NS-OC-E373NO
FACSIMILE NO. 206/763-9948

DATE: 9/6/89 TIME: 12 noon
TO: Pacific Terminals Ltd. FAX NO: 762-2427
ATTN: Mandy
TOTAL NUMBER OF PAGES EXCLUDING THIS SHEET: 5
(If you do not receive the number of pages indicated, please call us.)

MESSAGE:

THANK YOU

Glenn

Transmitter: _____

• PILE DRIVING

• BRIDGES

• WHARVES

• FOUNDATIONS

• DREDGING





CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • TELEX 32-9513 • FAX 206-763-1232

September 6, 1989

SENT FAX - (206) 762-2427

Mandy Rasmussen
Pacific Terminals Limited
P. O. Box 81126
Seattle, WA 98108

Re: Personal Property Affidavits/Lease Property

Dear Mandy:

We just received the enclosed Personal Property Affidavits on September 1, 1989. The due date indicated on them is April 30, 1989.

Can you please determine whether Mega/Pacific Terminals Limited have included in their personal property affidavits the leased fork lifts and miscellaneous equipment owned by B D Partnership and Haug Corporation? In order to file these forms correctly, with the values the same, I need to see a copy of the affidavits filed for 1989 which include these items.

If you have any questions, please give me a call.

Yours very truly,

Dan Dolmseth
Dan Dolmseth *dyb*

DD:gz

• PILE DRIVING

• BRIDGES

• WHARVES

• FOUNDATIONS

• DREDGING



SEP - 1 1989

Assessor's
Form No. PP-25
(REV. 11/88)

AFFIDAVIT TO ASSESSOR OF KING COUNTY, WASHINGTON
Personal Property Division
500 4th Ave., Room 807
Seattle, Washington 98104-2384 Phone (206)296-5183

DUE BY
April 30, 1989

FOR LISTING EQUIPMENT LEASED TO OTHERS ON JANUARY 1, 1989

Mailing Name and Address

For Assessor's Use

BD PARTNERSHIP
PO BOX 24067
SEATTLE WA 98108

REF - L1 - L2

DATE

INITIALS

If any of the above information has changed
prior to January 1, 1989, please correct
data below:

THIS FILING WILL BE THE BASIS
FOR 1989 ASSESSED VALUATION FOR
TAXES PAYABLE IN 1990.

Mailing
Name &
Address

STATE OF INCORPORATION:

INSTRUCTIONS TO LESSORS FOR REPORTING LEASED PERSONAL PROPERTY

In accordance with provisions of the personal property tax laws of the State of Washington (RCW 84.40.190), you are required, as the owner of leased personal property, to submit to the Assessor a report of all such taxable property located in King County, Washington on January 1, 1989.
Your listing shall include:

1. Lessee's name and specific location of equipment.
2. Selling Price in King County. The original price which a lessee would have paid for the same equipment available for purchase in King County including transportation and installation charges, at date of lease.
3. Date current lease began.
4. Monthly Rental. Do not include maintenance, service or interest charges.
5. Type/Use of equipment (i.e. Construction: general, logging, road. Office: general or electronic. Laundry: general or coin-operated).
6. Lessor's cost.
7. Date equipment was acquired by lessor.
8. Length of lease.
9. Type of lease (please specify: lease purchase, lease with option to buy, straight lease and sale and lease back contracts).
10. Lessor's internal identification number (if applicable).

Please complete the affidavit below and schedule of new leased, rented or loaned equipment not reported prior on reverse. Please verify or change accordingly Form PP58L or PP59 and return all forms.

DO NOT include automobiles, trucks, airplanes or other mobile equipment on which state excise tax has been paid.

DO include unlicensed mobile equipment and licensed equipment upon which motor vehicle excise tax has not been paid.

* SPECIAL NOTICE: THIS DEPARTMENT MUST ACCOUNT FOR ALL LEASES WHICH WERE IN EFFECT ON JANUARY 1, 1988. PLEASE ADVISE LEASE STATUS AND/OR DISPOSITION OF EQUIPMENT ON LEASES WHICH HAVE EXPIRED OR TERMINATED DURING 1988. PROVIDING US WITH THIS INFORMATION NOW IS ESSENTIAL FOR COMPLETION OF YOUR 1989 ASSESSMENTS.

This affidavit must be signed by an authorized agent or officer of the leasing company.

The law requires your listing of personal property be received in our office no later than April 30th, and further provides a penalty for late listing and for failure or refusal to list.

AFFIDAVIT: I DECLARE UNDER PENALTIES OF PERJURY THAT THIS RETURN (INCLUDING ANY ACCOMPANYING SCHEDULES AND STATEMENTS) HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT, AND COMPLETE LISTING OF ALL TAXABLE PERSONAL PROPERTY IN KING COUNTY, OWNED, HELD OR CONTROLLED BY THE UNDERSIGNED TAXPAYER.

DATE _____, 1989 TAXPAYER/OWNER _____
(Name Typed or Printed)

BY: _____ TITLE _____
(Signature)

TELEPHONE # _____

State of _____, in the County of _____

I certify that I know or have satisfactory evidence that _____
signed this instrument and acknowledged it to be (his/her) free and voluntary act
for the uses and purposes mentioned in the instrument.

Dated: _____

(Signature of Notary Public)

The content of this form conforms
to the standards prescribed by the
State Department of Revenue.

Title

My appointment expires _____

SIC

Assessor's Form No. PP-25

ST

KING COUNTY, WASHINGTON

JANUARY 1, 1989

[illegible]

*Please advise lease status and/or disposition of equipment on leases which have expired or terminated during 1989.

****Selling price to include transportation and installation costs.**

***Monthly rental. Do not include sales tax, maintenance, service or interest charges.



First American Title
INSURANCE COMPANY

THIS SPACE RESERVED FOR RECORDER'S USE.

Filed for Record at Request of

Name.....

Address..... 216 (6).....

City and State..... Seattle, WA 98104.....

Partial Reconveyance

The undersigned trustee under that certain Deed of Trust, dated..... March 11....., 19 74....., in which..... (b) (6)..... S..... is grantor and Industrial Branch, Seattle First National Bank is beneficiary, recorded on..... March 15....., 19 74....., as Auditor's File No. 7403150413, in Volume..... of Mortgages, at page....., records of King..... County, Washington, having received under said Deed of Trust a written request to reconvey a portion of the real property described in said deed, which request was approved by said grantor, does hereby reconvey, without warranty, to the person(s) entitled thereto the right, title and interest now held by said trustee in and to that portion of the real property described in said Deed of Trust, situated in King..... County, Washington, as follows:

That portion of Parcel B of City of Seattle Lot Boundary Adjustment #8600523, recorded under King County Auditor's File No. 8606171413, more particularly described as follows:

That portion of Lots 9 and 10, Block 7 and portion of Tracts 21 & 22, DUWAMISH INDUSTRIAL ADDITION to the City of Seattle, according to the plat recorded in Volume 21 of Plats, page 65, records of King County, Washington, described as follows:

Beginning at the Southeast Corner of said Block 7; thence due West along the South line of same (North margin of South Garden Street) a distance of 250.00 feet to an intersection with the East line of the West 10.00 feet of said Lot 9 and the True Point of Beginning; thence continuing due West along said North margin of South Garden Street 401.948 feet to an intersection with the East line of that certain Parcel "C" conveyed to Manson Const. & Engr. under King County Auditor's File No. 8212151344; thence N 0 03' 53" E along said East line 5.00 feet; thence due East a distance of 401.929 feet to a point of intersection with the East line of the West 10.00 feet of said Lot 9; thence S 0 08' 57" E along said East line 5.00 feet to the True Point of Beginning.

Dated....., 19.....

(Trustee)

Safeco Title Insurance Company

By.....

By.....

STATE OF WASHINGTON

COUNTY OF..... } ss.

On this day personally appeared before me

to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that..... signed the same as..... free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this..... day of....., 19.....

Notary Public in and for the State of Washington, residing at.....

STATE OF WASHINGTON

COUNTY OF..... } ss.

On this..... day of....., 19....., before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared.....

and..... to me known to be the..... President and..... Secretary, respectively, of.....

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that.....

authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of Washington, residing at.....

Request of Partial Reconveyance

The undersigned beneficiary is the legal owner and holder of the promissory note in the original sum of \$ 432,500.00, secured by that certain Deed of Trust dated March 11, 1974, in which Safeco Title Insurance Company is trustee, and (b) (6) is grantor, recorded on March 15, 1974, as Auditor's File No. 7403150413, in Volume of Mortgages, at page, records of King County, Washington.

You are requested to reconvey, without warranty, to the person(s) entitled thereto the right, title or interest now held by you thereunder in and to that portion of the real property described in said Deed of Trust, situated in King County, Washington, as follows:

That portion of Parcel B of City of Seattle Lot Boundary Adjustment #8600523, recorded under King County Auditor's File No. 8606171413, more particularly described as follows:

That portion of Lots 9 and 10, Block 7 and portion of Tracts 21 & 22, DUWAMISH INDUSTRIAL ADDITION to the City of Seattle, according to the plat recorded in Volume 21 of Plats, page 65, records of King County, Washington, described as follows:

Beginning at the Southeast Corner of said Block 7; thence due West along the South line of same (North margin of South Garden Street) a distance of 250.00 feet to an intersection with the East line of the West 10.00 feet of said Lot 9 and the True Point of Beginning; thence continuing due West along said North margin of South Garden Street 401.948 feet to an intersection with the East line of that certain Parcel "C" conveyed to Manson Const. & Engr. under King County Auditor's File No. 8212151344; thence N 0 03' 53" E along said East line 5.00 feet; thence due East a distance of 401.929 feet to a point of intersection with the East line of the West 10.00 feet of said Lot 9; thence S 0 08' 57" E along said East line 5.00 feet to the True Point of Beginning.

The making of this partial reconveyance shall be endorsed by you upon said Deed of Trust which is herewith presented to you, together with the aforesaid promissory note, for that purpose.

Dated....., 19.....

Approved:

..... (Grantor) (Beneficiary)
(b) (6)	Industrial Branch, Seattle First Nat'l Bank
By..... (Name — Title)	By..... (Name — Title)
y..... (Name — Title)	By..... (Name — Title)
..... (Address) (Address)

LEASE AGREEMENT

THIS LEASE, made as of December 1, 1988, between OTHELLO STREET WAREHOUSE CORPORATION, a Washington corporation ("Landlord"), and MEGA TERMINALS, INC., a Washington corporation ("Tenant"). Landlord and Tenant agree as follows.

R E C I T A L S

A. Landlord is acquiring the improved real property located in Seattle, King County, Washington, which is described in Exhibit A ("Premises").

B. Landlord is willing to lease the Premises to Tenant and Tenant is willing to lease the Premises from Landlord pursuant to the terms of this Lease.

1. Lease. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Lease, AS-IS.

2. Term and Extensions.

2.1 This Lease shall be for a term of ten (10) years, commencing on December 1, 1988, and expiring at 11:59 p.m. on November 30, 1988 ("Initial Lease Term").

2.2 "Lease Year" shall mean a period of twelve (12) calendar months, commencing on the first day of December and ending on the last day of November at 11:59 p.m.

2.3 Tenant shall have two options to extend the Initial Lease Term, each for a period of five (5) Lease Years. In each case, if Tenant exercises an option to extend, Tenant shall provide written notice of extension to Landlord prior to the commencement of the then last Lease Year of the Initial Lease Term or extended Initial Lease Term. Any and all of Tenant's options to extend shall automatically terminate if not exercised in strict accordance with the terms of this Paragraph or if Tenant is in default pursuant to this Lease and fails to cure the default within any permitted cure period. Tenant's second option to extend shall automatically terminate if Tenant fails to exercise its first option to extend.

2.4 "Lease Term" shall mean the Initial Lease Term as the same may be extended by Tenant pursuant to Paragraph 2.3.

3. Monthly Rent, Late Charges and Interest.

3.1 From the commencement date of this Lease ("Commencement Date") until December 31, 1988, Tenant shall pay Landlord a fixed monthly rent of Six Thousand Four Hundred Forty Dollars (\$6,440).

3.2 Commencing on January 1, 1989, and thereafter on the first day of each calendar month through and including December 1, 1990, Tenant shall pay Landlord a fixed monthly rent of Seven Thousand Five Hundred Dollars (\$7,500) per month.

3.3 The fixed monthly rent payable during the previous two calendar years shall be increased on the first day of January, 1991, 1993, 1995, 1997 (and if Tenant extends the Initial Lease Term), 1999, 2001, 2003 (and if Tenant further extends the Initial Lease Term), 2005, 2007 and 2009, by the percentage increase in the Consumer Price Index during the previous two (2) calendar years. Irrespective of the actual change in the Consumer Price Index, each increase in the monthly rent shall be no less than four percent (4%) for any calendar year and no more than eight percent (8%) for any calendar year. "Consumer Price Index" shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, All Items for All Urban Consumers, 1967 = 100, for the Seattle-Tacoma Metropolitan Area. If publication of the Consumer Price Index is discontinued or the Consumer Price Index is not longer published at the end of each calendar year, the parties shall make such adjustments as may be reasonably required to effectuate the intention of the parties or accept comparable statistics on the cost of living as computed and published by an agency of the United States or by a responsible financial periodical of recognized authority mutually agreed to by the parties. If the parties do not agree upon such adjustments or the selection of a substitute index on or before the tenth (10th) business day after demand by either party, the adjustment or substitute index shall, on application of either party, be made by the chief officer of the Seattle office of the Bureau of Labor Statistics or its successor. If the chief officer fails to make the adjustment or selection within thirty (30) days of the application of either party, the adjustment or selection shall be made in arbitration in accordance with the then prevailing rules of the American Arbitration Association.

3.4 All fixed monthly rent shall be paid by Tenant in advance on or before the first day of each calendar month without setoff or deduction of any kind whatsoever.

3.5 If Tenant fails to make payment of any fixed monthly rent on or before the fifth (5th) day of the month in which it is due, in addition to the delinquent rent Tenant shall pay Landlord a late fee equal to five percent (5%) of the

delinquent rent to compensate Landlord for damages suffered by Landlord and the extra administrative expense incurred by Landlord in collecting the delinquent rent. The late charge shall be in addition to, and not in lieu of, any other right or remedy of Landlord.

3.6 If Tenant fails to make timely payment of any amounts due to third parties from Tenant in accordance with the terms of this Lease, Landlord shall have the right (but not the obligation) to make such payments to third parties. If Landlord makes any such payments to third parties or if Tenant fails to make any payments to Landlord required pursuant to this Lease, such amounts paid by Landlord to third parties or not timely made to Landlord by Tenant, as applicable, shall bear interest from the date of Landlord's disbursement (in the case of payments to third parties) or the due date (in the case of payments due from Tenant to Landlord) at the rate of twelve percent (12%) per annum. Tenant shall not be required to pay interest on any monthly rent received by Landlord on or before the tenth day of the month in which it is due. However, the late charge mentioned above shall apply to any such delinquent payment of rent received by Landlord subsequent to the fifth (5th) day of the month in which it is due. In addition to such interest, Tenant shall pay all costs reasonably incurred by Landlord in collecting any such delinquent payments, including, but not limited to, legal fees and court costs.

4. Quiet Enjoyment. Subject to the other terms of this Lease and Tenant's full, complete and timely performance of all of Tenant's obligations pursuant to this Lease (and cure of any default within any permitted cure period), during the Lease Term Tenant shall have the exclusive right of possession and the quiet enjoyment of the Premises.

5. Use of Premises.

5.1 Tenant shall be entitled to use the Premises for general office and warehouse purposes, but for no other purpose without the prior written consent of Landlord.

5.2 Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of Tenant's use or occupancy of the Premises.

5.3 Tenant shall keep the Premises clean and in a sanitary condition to the satisfaction of the Health and Fire Departments of the City of Seattle and shall comply with any applicable local, city, county, state or federal statute, ordinance, rule or regulation.

5.4 Tenant shall use the Premises in such a manner as not to adversely affect the roof of the Premises or the structural integrity of the building in which the Premises are located.

5.5 ^{Lease} Tenant shall not cause, suffer or permit the discharge or emission of any offensive or hazardous substances, sounds or odors ^{from} from the Premises.

5.6 Tenant shall not cause, suffer or permit any activity at the Premises which results in a nuisance.

5.7 Tenant shall not cause, suffer or permit the presence or storage at the Premises of any hazardous substance, flammable materials, explosive materials or anything else which creates a health or safety hazard.

6. Taxes and Utilities.

6.1 Prior to delinquency, Tenant shall pay all service charges for light, heat, water, sewage and garbage, and all other similar utility or other service charges which shall be charged against the Premises during the Lease Term.

6.2 Prior to delinquency, Tenant shall pay all real property taxes and public assessments now or subsequently levied against the Premises during the Lease Term. Tenant shall pay such amounts directly to the taxing authority and shall provide to Landlord prior to the delinquency of any such amount a copy of the billings and Tenant's check for payment.

6.3 Tenant shall not permit the Premises to be encumbered with any tax or assessment resulting from activities or improvements of Tenant without the prior consent of Landlord. Tenant shall have the right to contest the amount and validity of any tax or assessment with respect to the Premises. Prompt written notice of any protest action by Tenant shall be given to Landlord by Tenant. Further, Tenant shall keep Landlord fully advised of the progress of any such protest action. Tenant shall indemnify, defend and hold Landlord harmless from and against any cost or expense attributable to any such protest action, including, without limitation, legal fees and court costs. Nothing in this Paragraph shall be construed to modify Tenant's covenant to pay taxes or assessments prior to delinquency or to prohibit Landlord from instituting any such contest on its own initiative.

7. Improvements and Alterations.

7.1 Tenant shall not, without the prior written consent of Landlord, alter, improve or add to the improvements on the Premises or install or attach thereto any fixtures or equipment.

7.2 Any alterations, improvements, additions, installations or attachments made by Tenant to the Premises pursuant to Paragraph 7.1 ("Tenant Improvements") shall be made at Tenant's sole cost and expense and shall, at the option of Landlord, become the property of Landlord at the expiration or termination of this Lease. No later than thirty (30) days following the expiration or termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove any Tenant Improvements which Landlord required to be removed from the Premises. The foregoing covenant of Tenant shall survive the expiration or termination of this Lease. At the expiration or termination of this Lease (or immediately following Tenant's removal of any Tenant Improvements required to be removed by Landlord, as applicable), at Tenant's sole cost and expense, Tenant shall return the Premises to the condition existing on the Commencement Date (and any Tenant Improvements not required by Landlord to be removed by Tenant to the condition existing on the date of installation), ordinary wear and tear and damage by insured casualty excepted.

8. Maintenance of Premises.

8.1 Except as provided in Paragraph 8.3 below, Tenant shall, at Tenant's sole expense, keep the Premises (including, without limitation, the roof, exterior walls and foundation of the Premises) in the condition existing on the Commencement Date and any Tenant Improvements in the condition existing on the date of installation, ordinary wear and tear and damage by insured casualty excepted.

8.2 If Tenant fails to maintain the Premises or any Tenant Improvements in the agreed condition, Landlord shall have the right (but not the obligation) to cause the Premises or Tenant Improvements to be put into such condition. If Landlord elects to perform Tenant's obligations with respect to the maintenance of the Premises or any Tenant Improvements, Tenant shall pay all costs incurred by Landlord to put the Premises or Tenant Improvements into such condition no later than ten (10) days following written demand from Landlord for payment.

8.3 Landlord shall be obligated to pay a maximum of two percent (2%) of the rent paid by Tenant pursuant to this Lease to repair the roof, exterior walls and foundation of the Premises. Landlord shall accrue two percent (2%) of the rent paid by Tenant pursuant to this Lease on the books of Landlord. If repair of the roof, exterior walls or foundation of the Premises is required, Tenant shall notify Landlord of the need for such repair and the estimated cost of such repair. Tenant shall cause such repairs to be completed at Tenant's sole cost and expense and shall provide Landlord with reasonable proof of payment. Within ten (10) business days of receipt of Landlord of such evidence of payment, Landlord shall reimburse Tenant the cost of such repairs up to the

aggregate amount of two percent (2%) of the rent previously paid by Tenant to Landlord as accrued by Landlord on its books as provided above. If the amount accrued by Landlord is insufficient to fully reimburse Tenant, Tenant shall deduct two percent (2%) of each subsequent rent payment until Tenant has received full reimbursement for the cost of such repairs. Thereafter, Landlord shall again begin to accrue two percent (2%) of the rent paid by Tenant for future repairs. The parties intend that any unused accrual by Landlord shall be the property of Landlord.

9. Indemnification and Insurance.

9.1 Landlord shall not be liable to Tenant or to any person, firm or corporation whatsoever for any injury to or death of any person, or for any loss of or damage to property (including property of Tenant) occurring in or about the Premises from any cause whatsoever, except for the negligence or willful misconduct of Landlord. Except for any matter described in this Paragraph which results from the negligence or willful misconduct of Landlord, Tenant agrees to defend, indemnify and save Landlord harmless from any loss, damage, liability or expense (including expense of litigation) arising out of or resulting from any actual or alleged injury to or death of any person, or from any actual or alleged loss of or damage to property caused by or resulting from any occurrence on or about the Premises, including, but not limited to, damage or loss caused by or resulting from any act or omission, whether negligent or otherwise, of Tenant, or any officer, agent, employee, contractor, guest, invitee, customer or visitor of Tenant.

9.2 Tenant shall keep the Premises and any Tenant Improvements insured at its expense under policies of all-risk insurance during the term of this Lease to the full insurable value, and shall furnish certificates evidencing such insurance coverage and renewals thereof to Landlord and to any mortgagee of the Premises or other parties financing Landlord's ownership, with loss payable to Landlord, Tenant and such mortgagee, financial institution or other party, as their respective interests may appear. Landlord will notify Tenant on or before the Commencement Date, and from time to time thereafter at intervals no more frequent than annually, of the amount of insurance coverage required hereunder, and Tenant may rely on said amount as being the full insurable value for the purposes of this Lease. Such insurance policies shall provide that such policies may not be cancelled without thirty (30) days prior written notice to Landlord and all other insureds. The policies of insurance maintained by Tenant pursuant to this Paragraph shall contain a mutual waiver of subrogation clause between Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership.

9.3 Tenant shall maintain public liability insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises or other parties financing Landlord's ownership in the minimum amount of Two Million Dollars (\$2,000,000) in all-risk form. If substantially cheaper public liability insurance is available to Tenant in the future, the amount of public liability coverage shall be increased to such amount as is agreed to by Landlord and Tenant.

9.4 Tenant shall maintain rental loss/business interruption insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership of the Premises in the minimum amount of the rent payable during the Lease Year in which the insurance is maintained.

9.5 Each policy of insurance maintained by Tenant pursuant to this Paragraph 9 shall be in form and substance reasonably acceptable to Landlord; shall be issued by insurance companies reasonably acceptable to Landlord; and shall contain such endorsements and provisions as Landlord, any mortgagee of Landlord and any other party financing Landlord's ownership of the Premises may reasonably require consistent with standard business practice.

10. Landlord and Tenant's Access. Tenant will allow Landlord or Landlord's agents access to the Premises at all reasonable times for any reasonable purpose.

11. Tenant's Signs. Tenant shall have the right to install and maintain signs and displays on the Premises, with the consent of Landlord.

12. Loss. If the Premises or any Tenant Improvements are damaged or destroyed by any cause ("Loss"), then Landlord shall have the right to:

(a) Terminate this Lease effective as of the date of such Loss by giving to Tenant within thirty (30) days of the occurrence of such Loss written notice of such termination and neither Landlord nor Tenant shall have any future obligations hereunder; or

(b) Promptly repair and restore the Premises to its condition prior to the damage or such other condition as agreed in writing by the parties, at Tenant's sole cost and expense. Pending restoration of the Premises and Tenant Improvements, rent shall not be abated or reduced in any manner whatsoever.

If a Loss occurs and Landlord terminates this Lease, Landlord shall be entitled to all casualty insurance proceeds paid as a result of the Loss and rental loss insurance to the extent of any

rent unpaid by Tenant. Tenant shall be entitled to the balance of any business interruption insurance proceeds.

If a Loss occurs and this Lease is not terminated, Tenant shall repair the Premises to the condition existing prior to the Loss and Landlord shall make available to Tenant such proceeds of casualty insurance as may be required to repair the Premises. Any excess casualty insurance proceeds shall be the property of Landlord. Any deficiency in casualty insurance proceeds shall be paid by Tenant.

13. Eminent Domain and Requisition of Use. If during the Lease Term any interest in the Premises, whether in land, building or improvements, or Tenant Improvements is taken as a result of the exercise of the power of eminent domain or requisition of use thereof (herein a "Taking"), and such Taking substantially impairs Tenant's tenantability of the balance of the Premises, then this Lease shall terminate in respect of the entire Premises on the date title is vested in or partial possession is taken by the condemnor or requisitioning body, whichever first occurs, pursuant to the eminent domain or requisition proceedings. Such Taking shall be deemed to have substantially impaired Tenant's tenantability of the balance of the Premises in any case where the area of the Premises after such Taking is less than eighty percent (80%) of the originally leased area of the Premises. If such Taking does not substantially impair Tenant's tenantability of the balance of the Premises, then this Lease shall terminate only in respect of the portion of the Premises affected by such Taking, and the amount of the rental payable hereunder shall be reduced by the amount of the rental proportionate to the portion of the Premises subject to such Taking, effective upon the date title is vested in, or possession is taken by, the condemnor or requisitioning body, whichever first occurs, pursuant to the eminent domain requisition proceedings. Any award made in eminent domain proceedings or rentals for requisition of use shall be distributed between Landlord and Tenant as follows:

(a) First, Landlord shall receive any amount awarded to compensate for repairs necessary to restore the balance of the Premises and Tenant Improvements to use;

(b) Next, Landlord shall receive all sums attributable to compensation for the Taking of the affected portion of the Premises and Tenant Improvements;

(c) Next, Tenant shall receive all sums attributable to compensation for any moving or other expenses resulting from such Taking; and

(d) Landlord shall receive any remaining balance.

If condemnation proceeds are distributed to Landlord for repairs necessary to restore the balance of the Premises and Tenant Improvements, Tenant shall cause such restoration to be completed and Landlord shall make available such condemnation proceeds as are necessary to effect the restoration. Landlord shall be entitled to any excess condemnation proceeds and Tenant shall pay any deficiency.

14. Default. If Tenant fails to keep and perform any of the covenants and agreements of this Lease after written notice from Landlord specifying such default and permitting Tenant no less than ten (10) days to remedy a monetary default and no less than thirty (30) days to remedy a non-monetary default, then Landlord may cancel this Lease. If Landlord cancels this Lease, Tenant shall remain liable to Landlord for all obligations of Tenant specified in this Lease for the remainder of the Lease Term (exclusive of any extension periods not exercised by Tenant). Notwithstanding such re-entry by Landlord, the liability of Tenant for rent and all other obligations of Tenant specified in this Lease shall not be extinguished for the balance of the Lease Term (exclusive of any extension periods not exercised by Tenant). Tenant covenants and agrees to make good to the Landlord any deficiency arising from any re-entry and re-letting of the Premises at a lesser rental or other less favorable terms than those to which Tenant is bound pursuant to this Lease, plus the cost of renovating the Premises for any new tenant(s) and re-letting it, which amounts Tenant shall pay each month in the manner required for rent hereunder.

15. Insolvency. If Tenant becomes either insolvent or bankrupt, or if a receiver is appointed for Tenant, Landlord may at its option cancel this Lease.

16. Assignment and Sublease. Tenant may assign this Lease or sublet the Premises, in whole or in part, with the prior written consent of Landlord. Notwithstanding any such assignment or subletting by Tenant, Tenant shall not be released from liability under this Lease.

17. Lender Consent. This Lease shall not be amended or modified in any manner whatsoever without the prior written consent of any lender now or hereafter having a recorded mortgage instrument of public record which affects the Premises or this Lease. Tenant shall fully cooperate with Landlord in connection with Landlord's efforts to obtain any such consent of lender.

18. Subordination. This Lease shall be inferior to and subordinate to any mortgage which affects the Premises whether such mortgage affects the Premises prior to, concurrently with, or subsequent to the date on which this Lease affects the Premises. Tenant's agreement with respect to the priority for this Lease

stated in the foregoing sentence is subject to the agreement of any lender with a superior mortgage agreeing to recognize this Lease if the mortgage is foreclosed and Tenant is not in default hereunder. Upon request by Tenant, any such lender shall execute and deliver to Tenant a Subordination and Non-Disturbance Agreement in form reasonably required by Tenant to effectuate the protection of Tenant mentioned in this Paragraph.

19. Notices. Any notice required to be given by either party to the other shall be in writing and mailed registered mail, return receipt requested, postage prepaid, and addressed as follows:

To Landlord: Othello Street Warehouse
Corporation
660 S. Othello Street
Seattle, Washington 98108

Attention: Irving M. Haug

To Tenant: Mega Terminals, Inc.
660 S. Othello Street
P. O. Box 24204
Seattle, Washington 98124

Attention: „Irving M. Haug

or to such other address as either Landlord or Tenant may hereafter designate in writing to the other from time to time. Notices shall be deemed given and effective upon deposit in the United States Mail.

20. Entire Agreement. This Lease supersedes all prior oral discussions and written matter of the parties concerning the subject matter hereof, and shall not be varied except by a writing concurrent with or subsequent hereto executed by the parties hereto.

21. Covenants Binding on Assigns. The covenants and agreements of this Lease shall be binding not only upon the Landlord and Tenant, but also upon their successors and permitted assigns.

22. Construction of Terms. Time is of the essence hereof. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against Landlord or Tenant. Paragraph headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or modifying the provisions hereof.

23. Estoppel Certificates. Upon request by Landlord, Tenant shall execute and deliver to Landlord (or any purchaser, lender or other interested party designated by Landlord), an estoppel certificate which shall provide the following information and such other information as Landlord shall reasonably request: (a) the date on which this Lease was executed and the date on which the Lease Term expires; (b) the amount of the minimum monthly rent; (c) the date to which rent has been paid; (d) the fact that this Lease is in full force and effect; (e) that all required contributions by Landlord for improvements to the Premises have been made (or if not made, the nature of any outstanding required contributions by Landlord); (f) that Landlord is not in default under the Lease (or if Landlord is in default, the nature of the default); and (g) that Tenant is not entitled to any offset or deduction with respect to rent payable pursuant to this Lease (or if Tenant is so entitled, the amount and nature of such right of offset or deduction).

24. Waiver, Voluntary Acts. No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular rental payment.

25. Holding Over. Should Tenant, with the consent of Landlord, hold possession of any portion of the Premises after expiration of the Lease Term, Tenant shall become a tenant from month to month in respect thereof upon all the terms, conditions and covenants of this Lease.

26. Attorneys' Fees. If either party brings any action or proceeding to enforce, interpret, protect or establish any right or remedy pursuant to this Lease, the prevailing party shall be entitled to recover all costs and reasonable attorneys' fees, as the court may allow. Arbitration is an action or proceeding for the purpose of this provision.

27. Net Lease. It is intended by Landlord and Tenant that this Lease is absolutely net to Landlord, without any expense of any nature to Landlord except as specifically provided herein. Tenant shall be responsible for payment of all expenses, and for any loss or damage, connected with or related to the Premises, including but not limited to those items of expense or damage specifically set forth herein.

28. Arbitration. If any dispute arises between the parties with respect to this Lease, the dispute shall be submitted for

decision by a commercial real estate expert jointly selected by Landlord and Tenant from Grubb & Ellis, Coldwell Banker or Kidder Mathews & Segner. If the parties fail to agree upon the real estate expert within fifteen (15) business days of demand by either party, the expert shall be selected by the Presiding Department of the King County Superior Court on motion of either party. The decision of the real estate expert shall be binding upon Landlord and Tenant. Notwithstanding the foregoing, payment of rent by Tenant to Landlord or payment of other payment obligations of Tenant to Landlord or third parties shall not be subject to arbitration.

29. Security Deposit. Concurrently with execution of this Lease, Tenant is providing to Landlord a Lease Bond in the amount of One Hundred Thousand Dollars (\$100,000) in form and substance acceptable to Landlord to secure performance by Tenant of Tenant's obligations pursuant to this Lease.

LANDLORD:

OTHELLO STREET WAREHOUSE
CORPORATION, a Washington
corporation

By _____
Its _____

TENANT:

MEGA TERMINALS, INC.,
a Washington corporation

By _____
Its _____

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this _____ day of _____, 1988, before me personally appeared _____, to me known to be the _____ of OTHELLO STREET WAREHOUSE CORPORATION, who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC in and for the State
of Washington, residing at _____

My Commission Expires: _____

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this _____ day of _____, 1988, before me personally appeared _____, to me known to be the _____ of MEGA TERMINALS, INC., who executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC in and for the State
of Washington, residing at _____

My Commission Expires: _____

05F/0017m

GUARANTY

Payments due under the Lease dated December 1, 1988, between Othello Street Warehouse Corporation as Landlord and Mega Terminals, Inc. as Tenant are guaranteed fifty percent (50%) by Manson Construction & Engineering Company and fifty percent (50%) by Norsk Pacific Steamship Company Ltd.

DATED this _____ day of _____, 1988.

MANSON CONSTRUCTION &
ENGINEERING COMPANY

NORSK PACIFIC STEAMSHIP
COMPANY LTD.

By _____
Glenn A. Edwards
Its President

By _____

Its _____

MEGA 4 MEGA

LEASE

OCT 24, 1988



Continental Casualty Company

CNA Plaza

Chicago, Illinois 60685

Bond No. 701 33 24

Premium: \$2,000. Annual

105 RECEIVED
APR 12 1989
INCOME PROPERTY

KNOW ALL MEN BY THESE PRESENTS,

MEGA TERMINALS, INC., a Washington corporation, as Principal and CONTINENTAL CASUALTY COMPANY, a Illinois corporation, and authorized to transact the business of surety in the State of Washington, as Surety, are held and firmly bound unto OTHELLO STREET WAREHOUSE CORPORATION, a Washington corporation, as Obligee, in the just and full sum of ONE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$100,000.00) for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, sealed with our seals, and dated this 3rd Day of March, 1989.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, WHEREAS, MEGA TERMINALS, INC., a Washington corporation has entered into a certain written Lease Agreement dated as of October 24, 1988 ("Lease"), with the Obligee, a true, correct and complete copy of which is attached hereto as Exhibit A; and

WHEREAS, the Obligee has requested security from the Principal to ensure timely payment of monthly rent and property taxes, as specified in the Lease.

NOW, THEREFORE, if the Principal shall promptly and faithfully comply with the rent and property taxes payment terms and conditions of the Lease, and shall indemnify and save harmless the Obligee from all losses, costs and expenses, all in accordance with the rent and property taxes payment terms and conditions of the Lease, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, That:

1. This bond shall be for the term commencing March 1, 1989 and expiring October 31, 1998, subject to an irrevocable cancellation option of the Surety, which may be exercised at the sole option of said Surety provided a one-year written advance notice from the cancellation date of such bond is provided to the Obligee by the Surety.

2. Regardless of the duration of this bond or the amount and number of claims hereunder, the aggregate liability of Surety shall not exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00). Any payment which Surety may be required to make at any time shall reduce the aggregate liability of Surety hereunder, to the extent of any such payment or payments.

3. The Liability of CONTINENTAL CASUALTY COMPANY under this bond is limited to claims made within ninety (90) days of the expiration or cancellation of the Bond set forth in (1) above. Any claims hereunder must be in writing, and received at the Surety's office, CNA Plaza, Chicago, Illinois 60685, accompanied by Obligee's certification that it has made demand on the Principal for payment ("Obligee's Demand") and Obligee's Demand has not been otherwise satisfied, at least ten (10) days prior to receipt of said claim by the Surety. The claim shall be paid by the Surety within five (5) days of receipt of said claim by the Surety.

MEGA TERMINALS, INC

BY: Maurice P. Brown
MP

CONTINENTAL CASUALTY COMPANY

BY: June L. Baloni
June L. Baloni, Attorney-in-Fact
801 Traeger Ave., San Bruno, CA 94066

MEGA & MEGA
Lease

OCT 24, 1988

105 RECEIVED
APR 12 1989

INSURANCE FROM
CNA

Continental Casualty Company

Chicago, Illinois 60685

Bond No. 701 33 24

Premium: \$2,000. Annual

INCOME PROPERTY

KNOW ALL MEN BY THESE PRESENTS,

MEGA TERMINALS, INC., a Washington corporation, as Principal and CONTINENTAL CASUALTY COMPANY, a Illinois corporation, and authorized to transact the business of surety in the State of Washington, as Surety, are held and firmly bound unto OTHELLO STREET WAREHOUSE CORPORATION, a Washington corporation, as Obligee, in the just and full sum of ONE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$100,000.00) for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, sealed with our seals, and dated this 3rd Day of March, 1989.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, WHEREAS, MEGA TERMINALS, INC., a Washington corporation has entered into a certain written Lease Agreement dated as of October 24, 1988 ("Lease"), with the Obligee, a true, correct and complete copy of which is attached hereto as Exhibit A; and

WHEREAS, the Obligee has requested security from the Principal to ensure timely payment of monthly rent and property taxes, as specified in the Lease.

NOW, THEREFORE, if the Principal shall promptly and faithfully comply with the rent and property taxes payment terms and conditions of the Lease, and shall indemnify and save harmless the Obligee from all losses, costs and expenses, all in accordance with the rent and property taxes payment terms and conditions of the Lease, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, That:

1. This bond shall be for the term commencing March 1, 1989 and expiring October 31, 1998, subject to an irrevocable cancellation option of the Surety, which may be exercised at the sole option of said Surety provided a one-year written advance notice from the cancellation date of such bond is provided to the Obligee by the Surety.

2. Regardless of the duration of this bond or the amount and number of claims hereunder, the aggregate liability of Surety shall not exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00). Any payment which Surety may be required to make at any time shall reduce the aggregate liability of Surety hereunder, to the extent of any such payment or payments.

3. The Liability of CONTINENTAL CASUALTY COMPANY under this bond is limited to claims made within ninety (90) days of the expiration or cancellation of the Bond set forth in (1) above. Any claims hereunder must be in writing, and received at the Surety's office, CNA Plaza, Chicago, Illinois 60685, accompanied by Obligee's certification that it has made demand on the Principal for payment ("Obligee's Demand") and Obligee's Demand has not been otherwise satisfied, at least ten (10) days prior to receipt of said claim by the Surety. The claim shall be paid by the Surety within five (5) days of receipt of said claim by the Surety.

MEGA TERMINALS, INC

BY: Amador P. Pons
JP

CONTINENTAL CASUALTY COMPANY

BY: June L. Baioni
June L. Baioni, Attorney-in-Fact
804 Traeger Ave., San Bruno, CA 94066



Continental Casualty Company

CNA Plaza Chicago, Illinois 60685

DUAL OBLIGEE RIDER TO LEASE BOND

WHEREAS, Heretofore, on or about the 24TH Day of OCTOBER, 19 88,
MEGA TERMINALS, INC., as TENANT with OTHELLO STREET
WAREHOUSE CORPORATION, as LANDLORD for the lease of certain
property located in Seattle, WA as more fully described under legal of Exhibit "A" on last page
and

WHEREAS, MEGA TERMINALS, INC., and CONTINENTAL CASUALTY COMPANY
A Illinois corporation, as Surety, executed and delivered to OTHELLO STREET
WAREHOUSE CORPORATION their joint and several Lease bond, and

WHEREAS, RAINIER NATIONAL BANK
has requested MEGA TERMINALS, INC.
and Surety to join with OTHELLO STREET WAREHOUSE CORPORATION in the
EXECUTION AND DELIVERY OF THIS Rider and MEGA TERMINALS, INC. and Surety
have agreed so to do upon the conditions herein stated;

NOW, THEREFORE, in consideration of one dollar and other good and valuable
consideration, receipt of which is acknowledged, the undersigned agree that the
said Lease Bond shall be, and is amended as follows:

1. The name of RAINIER NATIONAL BANK
shall be added to said bond as named Obligee. The rights and obligations
of Rainier National Bank shall be identical to those of Othello Street
Corporation under the said bond.
2. The aggregate liability of the Surety under said bond to OTHELLO STREET
WAREHOUSE CORPORATION and RAINIER NATIONAL BANK, as their interests
may appear is limited to the penal sum of the said bond.
3. The purpose of this Rider is to add an additional Obligee only and is
not intended to affect or alter the terms and conditions of this bond.

Signed, sealed and dated this 3rd Day of March, 1989

(Seal if corporation)

Attest:

(Seal if corporation)

Attest:

(Seal if corporation)

Attest:

OTHELLO STREET WAREHOUSE
CORPORATION

By:

MEGA TERMINALS, INC.

By:

CONTINENTAL CASUALTY COMPANY

By:

June L. Baioni, Attorney-in-fact

RAINIER NATIONAL BANK

By:

" EXHIBIT A "

LEASE AGREEMENT

THIS LEASE, made on October 24, 1988, between Othello Street Warehouse Corporation, a Washington corporation ("Landlord") and Mega Terminals, Inc., a Washington corporation ("Tenant"). Landlord and Tenant agree as follows.

Recitals.

A. Landlord is acquiring the improved real property located in Seattle, King County, Washington, which is described in Exhibit A ("Premises").

B. Landlord is willing to lease the Premises to Tenant and Tenant is willing to lease the Premises from Landlord pursuant to the terms of this Lease.

1. Lease.

Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Tenant accepts the Premises for lease from Landlord in the condition existing on the date of this Lease, AS-IS.

2. Term and Extensions.

2.1 This Lease shall be for a term of ten (10) years, commencing on the 1st day of November, 1988, and expiring at 11:59 P.M. on October 31, 1998 ("Initial Lease Term"). Tenant shall occupy the Premises from the date of this Lease until the Commencement Date for a daily rent of \$921.29.

2.2 "Lease Year" shall mean a period of twelve (12) calendar months, commencing on the first day of November and ending on the last day of October at 11:59 P.M.

2.3 Tenant shall have two options to extend the Initial Lease Term, each for a period of five (5) Lease Years. In each case, if Tenant exercises an option to extend, Tenant shall provide written notice of extension to Landlord prior to the commencement of the then last Lease Year of the Initial Lease Term or extended Initial Lease Term. Any and all of Tenant's options to extend shall automatically terminate if not exercised in strict accordance with the terms of this Paragraph or if Tenant is in default pursuant to this Lease and fails to cure the default within any permitted cure period. Tenant's second option

to extend shall automatically terminate if Tenant fails to exercise its first option to extend.

2.4 "Lease Term" shall mean the Initial Lease Term as the same may be extended by Tenant pursuant to Paragraph 2.3.

3. Monthly Rent, Late Charges and Interest.

3.1 From the commencement date of this Lease ("Commencement Date") until December 31, 1988, Tenant shall pay Landlord a fixed monthly rent of Twenty-Eight Thousand Five Hundred Sixty Dollars (\$28,560).

3.2 Commencing on January 1, 1989, and thereafter on the first day of each calendar month through and including December 1, 1990, Tenant shall pay Landlord a fixed monthly rent of Thirty Thousand Nine Hundred Forty Dollars (\$30,940) per month.

3.3 The fixed monthly rent payable during the previous two calendar years shall be increased on the first day of January, 1991, 1993, 1995, 1997 (and if Tenant extends the Initial Lease Term), 1999, 2001, 2003 (and if Tenant further extends the Initial Lease Term), 2005, 2007 and 2009, by the percentage increase in the Consumer Price Index during the previous two (2) calendar years. Irrespective of the actual change in the Consumer Price Index, each increase in the monthly rent shall be no less than four percent (4%) for any calendar year and no more than eight percent (8%) for any calendar year, compounded annually. "Consumer Price Index" shall mean the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, All Items for All Urban Consumers, 1967 = 100, for the Seattle-Tacoma Metropolitan Area. If publication of the Consumer Price Index is discontinued or the Consumer Price Index is no longer published at the end of each calendar year, the parties shall make such adjustments as may be reasonably required to effectuate the intention of the parties or accept comparable statistics on the cost of living as computed and published by an agency of the United States or by a responsible financial periodical of recognized authority mutually agreed to by the parties. If the parties do not agree upon such adjustments or the selection of a substitute index on or before the tenth (10th) business day after demand by either party, the adjustment or substitute index shall, on application of either party, be made by the chief officer of the Seattle office of the Bureau of Labor Statistics or its successor. If the chief officer fails to make the adjustment or selection within thirty (30) days of the application of either party, the adjustment or selection shall be made in arbitration in accordance with the then prevailing rules of the American Arbitration Association.

3.4 All fixed monthly rent shall be paid by Tenant in advance on or before the first day of each calendar month without setoff or deduction of any kind whatsoever.

3.5 If Tenant fails to make payment of any fixed monthly rent on or before the fifth (5th) day of the month in which it is due, in addition to the delinquent rent Tenant shall pay Landlord a late fee equal to five percent (5%) of the delinquent rent to compensate Landlord for damages suffered by Landlord and the extra administrative expense incurred by Landlord in collecting the delinquent rent. The late charge shall be in addition to, and not in lieu of, any other right or remedy of Landlord.

3.6 If Tenant fails to make timely payment of any amounts due to third parties from Tenant in accordance with the terms of this Lease, Landlord shall have the right (but not the obligation) to make such payments to third parties. If Landlord makes any such payments to third parties or if Tenant fails to make any payments to Landlord required pursuant to this Lease, such amounts paid by Landlord to third parties or not timely made to Landlord by Tenant, as applicable, shall bear interest from the date of Landlord's disbursement (in the case of payments to third parties) or the due date (in the case of payments due from Tenant to Landlord) at the rate of twelve percent (12%) per annum. Tenant shall not be required to pay interest on any monthly rent received by Landlord on or before the tenth day of the month in which it is due. However, the late charge mentioned above shall apply to any such delinquent payment of rent received by Landlord subsequent to the fifth (5th) day of the month in which it is due. In addition to such interest, Tenant shall pay all costs reasonably incurred by Landlord in collecting any such delinquent payments, including, but not limited to, legal fees and court costs.

4. Quiet Enjoyment.

Subject to the other terms of this Lease and Tenant's full, complete and timely performance of all of Tenant's obligations pursuant to this Lease (and cure of any default within any permitted cure period), during the Lease Term Tenant shall have the exclusive right of possession and the quiet enjoyment of the Premises.

5. Use of Premises.

5.1 Tenant shall be entitled to use the Premises for general office and warehouse purposes, but for no other purpose without the prior written consent of Landlord.

5.2 Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of Tenant's use or occupancy of the Premises.

5.3 Tenant shall keep the Premises clean and in a sanitary condition to the satisfaction of the Health and Fire Departments of the City of Seattle and shall comply with any applicable local, city, county, state or federal statute, ordinance, rule or regulation.

5.4 Tenant shall use the Premises in such a manner as not to adversely affect the roof of the Premises or the structural integrity of the building in which the Premises are located.

5.5 Tenant shall not cause, suffer or permit the discharge or emission of any offensive or hazardous substances, sounds or odors from the Premises.

5.6 Tenant shall not cause, suffer or permit any activity at the Premises which results in a nuisance.

5.7 Tenant shall not cause, suffer or permit the presence or storage at the Premises of any hazardous substance, flammable materials, explosive materials or anything else which creates a health or safety hazard.

6. Taxes and Utilities.

6.1 Prior to delinquency, Tenant shall pay all service charges for light, heat, water, sewage and garbage, and all other similar utility or other service charges which shall be charged against the Premises during the Lease Term.

6.2 Prior to delinquency, Tenant shall pay all real property taxes and public assessments now or subsequently levied against the Premises during the Lease Term. Tenant shall pay such amounts directly to the the taxing authority and shall provide to Landlord prior to the delinquency of any such amount a copy of the billings and Tenant's check for payment.

6.3 Tenant shall not permit the Premises to be encumbered with any tax or assessment resulting from activities or improvements of Tenant without the prior consent of Landlord. Tenant shall have the right to contest the amount and validity of any tax or assessment with respect to the Premises. Prompt written notice of any protest action by Tenant shall be given to Landlord by Tenant. Further, Tenant shall keep Landlord fully advised of the progress of any such protest action. Tenant shall indemnify, defend and hold Landlord harmless from and against any cost or expense attributable to any such protest action,

including, without limitation, legal fees and court costs. Nothing in this Paragraph shall be construed to modify Tenant's covenant to pay taxes or assessments prior to delinquency or to prohibit Landlord from instituting any such contest on its own initiative.

7. Improvements and Alterations.

7.1 Tenant shall not, without the prior written consent of Landlord, alter, improve or add to the improvements on the Premises or install or attach thereto any fixtures or equipment.

7.2 Any alterations, improvements, additions, installations or attachments made by Tenant to the Premises pursuant to Paragraph 7.1 ("Tenant Improvements") shall be made at Tenant's sole cost and expense and shall, at the option of Landlord, become the property of Landlord at the expiration or termination of this Lease. No later than thirty (30) days following the expiration or termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove any Tenant Improvements which Landlord requires to be removed from the Premises. The foregoing covenant of Tenant shall survive the expiration or termination of this Lease. At the expiration or termination of this Lease (or immediately following Tenant's removal of any Tenant Improvements required to be removed by Landlord, as applicable), at Tenant's sole cost and expense, Tenant shall return the Premises to the condition existing on the Commencement Date (and any Tenant Improvements not required by Landlord to be removed by Tenant to the condition existing on the date of installation), ordinary wear and tear and damage by insured casualty excepted.

8. Maintenance of Premises.

8.1 Except as provided in Paragraph 8.3 below, Tenant shall, at Tenant's sole expense, keep the Premises (including, without limitation, the roof, exterior walls and foundation of the Premises) in the condition existing on the Commencement Date and any Tenant Improvements in the condition existing on the date of installation, ordinary wear and tear and damage by insured casualty excepted.

8.2 If Tenant fails to maintain the Premises or any Tenant Improvements in the agreed condition, Landlord shall have the right (but not the obligation) to cause the Premises or Tenant Improvements to be put into such condition. If Landlord elects to perform Tenant's obligations with respect to the maintenance of the Premises or any Tenant Improvements, Tenant shall pay all costs incurred by Landlord to put the Premises or Tenant Improvements into such condition no later than ten (10) days following written demand from Landlord for payment.

8.3 Landlord shall be obligated to pay a maximum of two percent (2%) of the rent paid by Tenant pursuant to this Lease to repair the roof, exterior walls and foundation of the Premises. Landlord shall accrue two percent (2%) of the rent paid by Tenant pursuant to this Lease on the books of Landlord. If repair of the roof, exterior walls or foundation of the Premises is required, Tenant shall notify Landlord of the need for such repair and the estimated cost of such repair. Tenant shall cause such repairs to be completed at Tenant's sole cost and expense and shall provide Landlord with reasonable proof of payment. Within ten (10) business days of receipt of Landlord of such evidence of payment, Landlord shall reimburse Tenant the cost of such repairs up to the aggregate amount of two percent (2%) of the rent previously paid by Tenant to Landlord as accrued by Landlord on its books as provided above. If the amount accrued by Landlord is insufficient to fully reimburse Tenant, Tenant shall deduct two percent (2%) of each subsequent rent payment until Tenant has received full reimbursement for the cost of such repairs. Thereafter, Landlord shall again begin to accrue two percent (2%) of the rent paid by Tenant for future repairs. The parties intend that any unused accrual by Landlord shall be the property of Landlord.

9. Indemnification and Insurance.

9.1 Landlord shall not be liable to Tenant or to any person, firm or corporation whatsoever for any injury to or death of any person, or for any loss of or damage to property (including property of Tenant) occurring in or about the Premises from any cause whatsoever, except for the negligence or willful misconduct of Landlord. Except for any matter described in this Paragraph which results from the negligence or willful misconduct of Landlord, Tenant agrees to defend, indemnify and save Landlord harmless from any loss, damage, liability or expense (including expense of litigation) arising out of or resulting from any actual or alleged injury to or death of any person, or from any actual or alleged loss of or damage to property caused by or resulting from any occurrence on or about the Premises, including, but not limited to, damage or loss caused by or resulting from any act or omission, whether negligent or otherwise, of Tenant, or any officer, agent, employee, contractor, guest, invitee, customer or visitor of Tenant.

9.2 Tenant shall keep the Premises and any Tenant Improvements insured at its expense under policies of all-risk insurance during the term of this Lease to the full insurable value, and shall furnish certificates evidencing such insurance coverage and renewals thereof to Landlord and to any mortgagee of the Premises or other parties financing Landlord's ownership, with loss payable to Landlord, Tenant and such mortgagee,

financial institution or other party, as their respective interests may appear. Landlord will notify Tenant on or before the Commencement Date, and from time to time thereafter at intervals no more frequent than annually, of the amount of insurance coverage required hereunder, and Tenant may rely on said amount as being the full insurable value for the purposes of this Lease. Such insurance policies shall provide that such policies may not be cancelled without thirty (30) days prior written notice to Landlord and all other insureds. The policies of insurance maintained by Tenant pursuant to this Paragraph shall contain a mutual waiver of subrogation clause between Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership.

9.3 Tenant shall maintain public liability insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises or other parties financing Landlord's ownership in the minimum amount of Two Million Dollars (\$2,000,000) in all-risk form. If substantially cheaper public liability insurance is available to Tenant in the future, the amount of public liability coverage shall be increased to such amount as is agreed to by Landlord and Tenant.

9.4 Tenant shall maintain rental loss/~~business interruption~~ insurance for the benefit of Tenant, Landlord, any mortgagee of the Premises and any other party financing Landlord's ownership of the Premises in the minimum amount of the rent payable during the Lease Year in which the insurance is maintained.

9.5 Each policy of insurance maintained by Tenant pursuant to this Paragraph 9 shall be in form and substance reasonably acceptable to Landlord; shall be issued by insurance companies reasonably acceptable to Landlord; and shall contain such endorsements and provisions as Landlord, any mortgagee of Landlord and any other party financing Landlord's ownership of the Premises may reasonably require consistent with standard business practice.

10. Landlord's and Tenant's Access.

Tenant will allow Landlord or Landlord's agents access to the Premises at all reasonable times for any reasonable purpose.

11. Tenant's Signs.

Tenant shall have the right to install and maintain signs and displays on the Premises, with the consent of Landlord.

12. Loss.

If the Premises or any Tenant Improvements are damaged or destroyed by any cause ("Loss"), then Landlord shall have the right to:

(a) Terminate this Lease effective as of the date of such Loss by giving to Tenant within thirty (30) days of the occurrence of such Loss written notice of such termination and neither Landlord nor Tenant shall not have any future obligations hereunder; or

(b) Promptly repair and restore the Premises to its condition prior to the damage or such other condition as agreed in writing by the parties, at Tenant's sole cost and expense. Pending restoration of the Premises and Tenant Improvements, rent shall be not be abated or reduced in any manner whatsoever.

If a Loss occurs and Landlord terminates this Lease, Landlord shall be entitled to all casualty insurance proceeds paid as a result of the Loss and rental loss insurance to the extent of any rent unpaid by Tenant. Tenant shall be entitled to the balance of any business interruption insurance proceeds.

RENTAL LOSS.
If a Loss occurs and this Lease is not terminated, Tenant shall repair the Premises to the condition existing prior to the Loss and Landlord shall make available to Tenant such proceeds of casualty insurance as may be required to repair the Premises. Any excess casualty insurance proceeds shall be the property of Landlord. Any deficiency in casualty insurance proceeds shall be paid by Tenant.

13. Eminent Domain and Requisition of Use.

If during the Lease Term any interest in the Premises, whether in land, building or improvements, or Tenant Improvements is taken as a result of the exercise of the power of eminent domain or requisition of use thereof (herein a "Taking"), and such Taking substantially impairs Tenant's tenantability of the balance of the Premises, then this Lease shall terminate in respect of the entire Premises on the date title is vested in or partial possession is taken by the condemnor or requisitioning body, whichever first occurs, pursuant to the eminent domain or requisition proceedings. Such Taking shall be deemed to have substantially impaired Tenant's tenantability of the balance of the Premises in any case where the area of the Premises after such Taking is less than eighty percent (80%) of the originally leased area of the Premises. If such Taking does not substantially impair Tenant's tenantability of the balance of the Premises, then this Lease shall terminate only in respect of the

is bound pursuant to this Lease, plus the cost of renovating the Premises for any new tenant(s) and re-letting it, which amounts Tenant shall pay each month in the manner required for rent hereunder.

15. Insolvency.

If Tenant becomes either insolvent or bankrupt, or if a receiver is appointed for Tenant, Landlord may at its option cancel this Lease.

16. Assignment and Sublease.

Tenant may assign this Lease or sublet the Premises, in whole or in part, with the prior written consent of Landlord. Notwithstanding any such assignment or subletting by Tenant, Tenant shall not be released from liability under this Lease.

17. Lender Consent.

This Lease shall not be amended or modified in any manner whatsoever without the prior written consent of any lender now or hereafter having a recorded mortgage instrument of public record which affects the Premises or this Lease. Tenant shall fully cooperate with Landlord in connection with Landlord's efforts to obtain any such consent of lender.

18. Subordination.

This Lease shall be inferior to and subordinate to any mortgage which affects the Premises whether such mortgage affects the Premises prior to, concurrently with, or subsequent to the date on which this Lease affects the Premises. Tenant's agreement with respect to the priority for this Lease stated in the foregoing sentence is subject to the agreement of any lender with a superior mortgage agreeing to recognize this Lease if the mortgage is foreclosed and Tenant is not in default hereunder. Upon request by Tenant, any such lender shall execute and deliver to Tenant a Subordination and Non-Disturbance Agreement in form reasonably required by Tenant to effectuate the protection of Tenant mentioned in this Paragraph.

19. Notices.

Any notice required to be given by either party to the other shall be in writing and mailed registered mail, return receipt requested, postage prepaid, and addressed as follows:

~~TO LANDLORD.~~

c/o Manson Construction & Engineering
Co., 5209 East Marginal Way, Seattle,
Washington 98124
-- Attention: Glen A. Edwards

TIA
[Signature]

LANDLORD
TO ~~TENANT~~

c/o Alston, Courtage, MacAulay &
Proctor, Suite 3900, 1000 Second Avenue,
Seattle, Washington 98104. Attention:
Thaddas L. Alston

or to such other address as either Landlord or Tenant may hereafter designate in writing to the other from time to time. Notices shall be deemed given and effective upon deposit in the United States Mail.

20. Entire Agreement.

This Lease supersedes all prior oral discussions and written matter of the parties concerning the subject matter hereof, and shall not be varied except by a writing concurrent with or subsequent hereto executed by the parties hereto.

21. Covenants Binding on Assigns.

The covenants and agreements of this Lease shall be binding not only upon the Landlord and Tenant, but also upon their successors and permitted assigns.

22. Construction of Terms.

Time is of the essence hereof. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against Landlord or Tenant. Paragraph headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or modifying the provisions hereof.

23. Estoppel Certificates.

Upon request by Landlord, Tenant shall execute and deliver to Landlord (or any purchaser, lender or other interested party designated by Landlord), an estoppel certificate which shall provide the following information and such other information as Landlord shall reasonably request: (a) the date on which this Lease was executed and the date on which the Lease Term expires; (b) the amount of the minimum monthly rent; (c) the date to which rent has been paid; (d) the fact that this Lease is in full force and effect; (e) that all required contributions by Landlord for improvements to the Premises have been made (or if not made, the nature of any outstanding required contributions by Landlord); (f) that Landlord is not in default under the Lease (or if Landlord is in the default, the nature of the default); and (g) that Tenant is not entitled to any offset or deduction with respect to rent payable pursuant to this Lease (or if Tenant is so entitled, the amount and nature of such right of offset or

deduction).

24. Waiver, Voluntary Acts.

No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or of any other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular rental payment.

25. Holding Over.

Should Tenant, with the consent of Landlord, hold possession of any portion of the Premises after expiration of the Lease Term, Tenant shall become a tenant from month to month in respect thereof upon all the terms, conditions and covenants of this Lease.

26. Covenants Binding on Assigns.

The covenants and agreements of this Lease shall be binding not only upon the Landlord and Tenant, but also upon their successors and permitted assigns.

27. Construction of Terms.

Time is of the essence hereof. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against Landlord or Tenant. Paragraph headings in this Lease are for convenience only and are not to be construed as a part of this Lease or in any way defining, limiting or modifying the provisions hereof.

28. Attorney's Fees.

If either party brings any action or proceeding to enforce, interpret, protect or establish any right or remedy pursuant to this Lease, the prevailing party shall be entitled to recover all costs and reasonable attorney's fees, as the court may allow. Arbitration is an action or proceeding for the purpose of this provision.

29. Net Lease.

It is intended by Landlord and Tenant that this Lease is absolutely net to Landlord, without any expense of any nature to

Landlord except as specifically provided herein. Tenant shall be responsible for payment of all expenses, and for any loss or damage, connected with or related to the Premises, including but not limited to those items of expense or damage specifically set forth herein.

30. Arbitration.

If any dispute arises between the parties with respect to this Lease, the dispute shall be submitted for decision by a commercial real estate expert jointly selected by Landlord and Tenant from Grubb & Ellis, Coldwell Banker or Kidder Mathews & Segner. If the parties fail to agree upon the real estate expert within fifteen (15) business days of demand by either party, the expert shall be selected by the Presiding Department of the King County Superior Court on motion of either party. The decision of the real estate expert shall be binding upon Landlord and Tenant. Notwithstanding the foregoing, payment of rent by Tenant to Landlord or payment of other payment obligations of Tenant to Landlord or third parties shall not be subject to arbitration.

31. Security Deposit.

Concurrently with execution of this Lease, Tenant is providing to Landlord a Lease Bond in the amount of One Hundred Thousand Dollars (\$100,000) in form and substance acceptable to Landlord to secure performance by Tenant of Tenant's obligations pursuant to this Lease.

32. Financial Information.

From time to time, upon request by Landlord, Tenant shall provide to Landlord's lender such current financial information with respect to Tenant and its operations as is customarily produced by Tenant, including, but not limited to Tenant's most current financial statement. Any such lender shall keep Tenant's financial information confidential.

(Landlord)

(Tenant)

Othello Street Warehouse
Corporation, a Washington
corporation

Mega Terminals, Inc., a
Washington corporation

By Thaddas L. Alston
Thaddas L. Alston, Authorized
Signer

By Irving Haug
Irving Haug, President

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of October, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Thaddas L. Alston, known to me to be the Authorized Signer for Othello Street Warehouse Corporation, the corporation which executed the foregoing document and he acknowledged to me that he signed the foregoing document as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned and that he was authorized to do so.

WITNESS my hand and official seal the day and year in this certificate above written.

Daniel A. McCarroll
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle.
My Commission Expires: 1-1-89.

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 21st day of October, 1988, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared IRVING M. HAUG, known to me to be the PRESIDENT for Mega Terminals, Inc., the corporation which executed the foregoing document and he acknowledged to me that he signed the foregoing document as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned and that he was authorized to do so.

WITNESS my hand and official seal the day and year in this certificate above written.

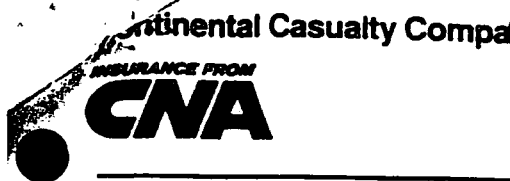
Daniel A. McCarroll
NOTARY PUBLIC in and for the State of
Washington, residing at Seattle.
My Commission Expires: 1-1-89.

EXHIBIT A

LEGAL DESCRIPTION

PARCEL C:

Tracts 17 and 18 and that portion of Tracts 19 and 20, lying east of a line which is 700 feet west of and parallel to the east line of said Tract 17, Duwamish Industrial Addition to the City of Seattle, according to the plat thereof recorded in Volume 21 of Plats, page 65, in King County, Washington.



AN ILLINOIS CORPORATION

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint June L. Baioni, Margo Galeano, Individually

of San Francisco, California

its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature as follows:

Without Limitations

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The President or a Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 3rd day of April, 1957.

"Resolved, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed to this 25th day of April, 1980.

State of Illinois }
County of Cook } ss



CONTINENTAL CASUALTY COMPANY

[Signature]
R. J. Wall

Vice President.

On this 25th day of April, 1980, before me personally came

R. J. Wall to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Western Springs State of Illinois; that he is a Vice-President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



CERTIFICATE

[Signature]
Raymond E. Frystak Notary Public.
My Commission Expires June 19, 1982

I, P. F. Granahan, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of Article IX of the By-Laws of the Company and the Resolution of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said Company this 3rd day of March, 1989.



[Signature]
P. F. Granahan Assistant Secretary.

MEGA...



SECURITY PACIFIC
COMMERCIAL MORTGAGE
COMPANY

**Security Pacific Commercial
Mortgage Company**

Income Property Servicing, S02-6
PO Box 3966, Seattle WA 98124-3966
(206) 621-5351
FAX Number (206) 621-3534

May 14, 1990

Mr. Monson Leng
PO Box 24067
Seattle, Wa., 98124



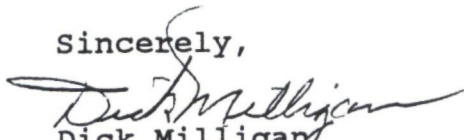
Re: Loan # 460-3-001988
Othello Street Warehouse
Safeco Surety bond # 5539994

Dear Mr. Leng:

Steve Touger ask that the attached surety bond be
forwarded to you for disposition.

Please call if there are questions.

Sincerely,


Dick Milligan
Servicing Specialist
(206) 621 5442

MEGA

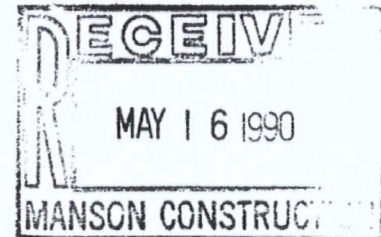
CIFIC
MORTGAGE

**Security Pacific Commercial
Mortgage Company**

Income Property Servicing, S02-6
PO Box 3966, Seattle WA 98124-3966
(206) 621-5351
FAX Number (206) 621-3534

May 14, 1990

Mr. Monson Leng
PO Box 24067
Seattle, Wa., 98124



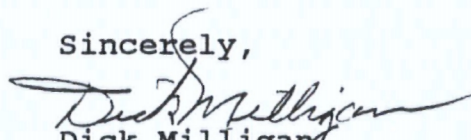
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Sincerely,


Dick Milligan
Servicing Specialist
(206) 621 5442



SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
FIRST NATIONAL INSURANCE COMPANY
OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

Bond No. 5539994

KNOW ALL MEN BY THESE PRESENTS,

MEGA TERMINALS, INC., a Washington corporation, as Principal, and the SAFECO INSURANCE COMPANY OF AMERICA, a Washington corporation, and authorized to transact the business of surety in the State of Washington, as Surety, are held and firmly bound unto OTHELLO STREET WAREHOUSE CORPORATION, a Washington corporation, as Obligee, in the just and full sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, sealed with our seals, and dated this 24th day of October, 1988.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, WHEREAS, MEGA TERMINALS, INC., A Washington corporation, has entered into a certain written Lease Agreement dated as of October 24, 1988 ("Lease"), with the Obligee, a true, correct and complete copy of which is attached hereto as Exhibit A; and

WHEREAS, the Obligee has requested security from the Principal to ensure timely payment of monthly rent and property taxes, as specified in the Lease.

NOW, THEREFORE, if the Principal shall promptly and faithfully comply with the rent and property taxes payment terms and conditions of the Lease, and shall indemnify and save harmless the Obligee from all losses, costs and expenses, all in accordance with the rent and property taxes payment terms and conditions of the Lease, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, That:

1. This Bond shall be for the term commencing October 24, 1988, and expiring October 31, 1988, subject to an irrevocable cancellation option of the Surety, which may be exercised at the sole option of said Surety provided a one-year written advance notice before the cancellation date of such Bond is provided to the Obligee by the Surety.
2. Regardless of the duration of this Bond or the amount and number of claims hereunder, the aggregate liability of Surety shall not exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00). Any payment which Surety may be required to make at any time shall reduce the aggregate liability of Surety hereunder, to the extent of any such payment or payments.
3. The liability of SAFECO INSURANCE COMPANY OF AMERICA under this Bond is limited to claims made within ninety (90) days of the expiration of the Bond set forth in (1.) above. Any claims hereunder must be in writing, and received at the Surety's offices, Safeco Plaza, Washington, 98185, accompanied by Obligee's certification that it has made demand on the Principal for payment ("Obligee's Demand") and Obligee's Demand has not been otherwise satisfied, at least ten (10) days prior to receipt of said claim by the Surety. The claim shall be paid by the Surety within five (5) days of receipt of said claim by the Surety.

MEGA TERMINALS, INC.

By: [Signature]

SAFECO INSURANCE COMPANY OF AMERICA

By: [Signature]

JAMES B. BINDER Attorney-in-Fact



SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
FIRST NATIONAL INSURANCE COMPANY
OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

DUAL OBLIGEE RIDER TO LEASE BOND

WHEREAS, Heretofore, on or about the 24th day of October, 19 88,
MEGA TERMINALS, INC.,
as TENANT entered into a written lease agreement
with OTHELLO STREET WAREHOUSE CORPORATION,
as LANDLORD for the lease of _____,
_____, and

WHEREAS, MEGA TERMINALS, INC. and the
SAFECO INSURANCE COMPANY OF AMERICA, a Washington corporation, as Surety,
executed and delivered to OTHELLO STREET WAREHOUSE CORPORATION their
joint and several Lease Bond, and

WHEREAS, RAINIER NATIONAL BANK and Surety
has requested MEGA TERMINALS, INC. in the
to join with OTHELLO STREET WAREHOUSE CORPORATION
execution and delivery of this Rider, and MEGA TERMINALS, INC.
and Surety have agreed so to do upon the conditions
herein stated;

NOW THEREFORE, in consideration of one dollar and other good and valuable
consideration, receipt of which is acknowledged, the undersigned agree that
the said Lease Bond shall be, and is, amended as follows:

1. The name of RAINIER NATIONAL BANK
shall be added to said bond as named Obligee. The rights and obligations
of Rainier National Bank shall be identical to those of Othello Street Warehouse Corporation
under the said bond.
2. The aggregate liability of the Surety under said bond to OTHELLO STREET
WAREHOUSE CORPORATION and RAINIER NATIONAL BANK
_____, as their interests may appear, is limited to the
penal sum of the said bond.

3. The purpose of this Rider is to add an additional Obligee only and is
not intended to affect or alter the terms and conditions of this bond.

Signed, sealed and dated this 24th day of OCTOBER, 19 88.

(Seal if corporation)

Attest:

(Seal if corporation)

Attest:

(Seal if corporation)

Attest:

OTHELLO STREET WAREHOUSE CORPORATION

By: Thos. L. Alston, Authorized Signer

MEGA TERMINALS, INC.

By: J. M. Lang, Pres

SAFECO INSURANCE COMPANY OF AMERICA

By: James B. Binder Attorney-in-Fact

RAINIER NATIONAL BANK

By: Thos. L. Alston, Authorized Signer



POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 8

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA**, a Washington corporation, does hereby appoint

----E. W. SCOTT; R. N. WHEATLEY; R. W. SMITH; JOHN W. REYNOLDS; HAROLD E. COOK;
R. A. MOORE; GARY R. STONE; JAMES B. BINDER; HAROLD R. ROSS, Seattle, Washington----

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued by the company in the course of its business, and to bind **SAFECO INSURANCE COMPANY OF AMERICA** thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** has executed and attested these presents

this 5th day of May, 19 87.

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of
SAFECO INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Boh A. Dickey, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of this corporation, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 24th day of OCTOBER, 19 88.

LEASE AGREEMENT

This lease is made between MANSON CONSTRUCTION & ENGINEERING CO., Lessor and NORTHLAND SERVICES, INC., Lessee.

Witnesseth:

That the parties do mutually agree as follows:

1. Leased Premises and Rental Rates

Lessor does hereby lease to Lessee the following described property at the stated rental rates.

- A. Approximately five (5) acres of realty property as shown on the attached drawing at a rental rate of \$2.00 per short ton outbound freight and \$1.00 per short ton inbound freight.
- B. North pier including Gantry Crane at a rental rate of \$3,000.00 per month.
- C. Office area, entire 2nd floor, 7th and Myrtle building at a rental rate of \$3,600.00 per month for a maximum of 36 months and a negotiated lesser amount thereafter.

Lessor will pave approximately 50% of the yard area including all traffic areas and rock the remaining area and will install a loading ramp per the plan specifications submitted, 14' x 72', as soon as permits are obtained.

2. TERMS

A. Basic Term

The lease shall be for a one year period starting February 1, 1987 or as property is occupied by Lessee.

B. Renewal Option

The parties may mutually agree to extend this lease as long as both parties are satisfied with the terms and conditions contained herein.

3. LEASE PAYMENT

Lessee shall pay on signing the first and last months rental on Items 1-B and C or a total of \$13,100.00.

Lessee shall pay monthly in advance for the above items. Due prior to the 15th day of the current month.

Within 15 days after the end of each month lessee shall provide manifests for the previous month and will pay 30 days thereafter. Receipt of invoice from Lessor.

4. HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

Lessee agrees to protect and save Lessor and its officers, agents, representatives or employees, and stockholders harmless and indemnify them from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of Lessee's employees, or third parties, on account of personal injuries, death or damage to property, arising out of or related to the premises leased by Lessee, or in any way resulting from acts or omissions of any person, except if such injury or damage is caused by the sole negligence of Lessor.

5. INSURANCE

A. Lessee shall obtain and maintain throughout the lease period the kinds of insurance, amount of insurance and insurance for the persons herein provided as follows:

(1). Fire and Extended Coverage Insurance on Buildings and Structures.

a. Buildings and Structures Leased to Lessee by Lessor.

Lessor shall obtain, pay for and maintain continuously fire and extended coverage insurance on all buildings and structures leased to Lessee by Lessor on the leased premises. The insurance coverage shall be to 80% of replacement value of the buildings and structures. Lessee may insure its interest in said buildings.

b. Building and Structures Placed on Leased Premises.

Lessee shall obtain, pay for and maintain continuously fire and extended coverage insurance to 80% of replacement value on all buildings and structures which Lessor and Lessee may agree shall be placed on the premises by Lessee pursuant to the terms of this lease. The Lessor shall be named as additional insured, and their interest may appear, but shall have no interest in the proceeds of any such policy unless Lessee shall abandon the insured property on the leased premises at termination of the lease.

(2). Equipment Insurance on Gantry Crane.

Lessee shall obtain and pay for all risk property insurance on the Gantry Crane for a minimum of \$100,000. Lessor shall be named as additional insured on this policy. Lessee shall also provide general liability and workman's compensation insurance related to the operation of the Gantry Crane for a

minimum of \$1,000,000. Lessor shall also be named as additional insured on general liability and all risk property policies. All above policies shall not be canceled without 30 days prior written notice to Lessor.

(3). Liability Insurance.

Lessee shall obtain, pay for, and maintain continuously comprehensive general liability insurance including maritime protection and indemnity insurance, and any other insurance necessary to protect the public with limits of liability of not less than:

\$3,000,000 each occurrence

Such insurance shall include the Lessor as additional named insured and shall not be canceled without thirty (30) days written prior notice to Lessor. The Lessee shall provide a certificate of insurance to each additional named insured, and upon written request of Lessor, Lessee shall provide a duplicate of the policy as evidence of insurance protection provided to the party so requesting.

(4). Hull and Cargo Insurance.

Lessee shall obtain, pay for and provide hull insurance on all barges or other vessels, and cargo and materials, goods and equipment in transit. Lessee shall obtain, provide and pay for hull insurance on all barges and other vessels, and cargo insurance on all material, goods and equipment which is stored on the premises or in process of loading, unloading, or on barges or other vessels, so long as the barges, goods or equipment are on the lease premises, or while barges are moored at the leased premises. Deductibles shall be to the account of the Lessee or the other named insured. Such insurance shall include the Lessor as additional named insured and shall not be canceled without thirty (30) days written prior notice to Lessor. The Lessee shall provide a certificate of insurance to each additional named insured, and upon written request of Lessor, Lessee shall provide a duplicate of the policy as evidence of insurance protection provided to the party so requesting.

Lessor shall have the right to approve the insurers which the Lessee utilizes as respects 1 - 4 included above.

6. LIENS.

Lessee will keep the premises free from any liens arising out of obligations incurred by the Lessee. Upon written request from Lessor, Lessee will furnish written proof of payment of any charge which could provide the basis for a lien on the premises if not paid.

7. MAINTENANCE AND REPAIR.

A. Lessee's Obligation.

Lessee shall, throughout the term of this lease, without cost or expense to Lessor, keep and maintain the leased premises and all improvements, landscaping, fixtures and equipment which may now or hereafter exist thereon, in a neat, clean and sanitary condition, and except for reasonable wear and tear, at all times preserve the premises in good and safe repair.

8. As a part of this lease it is expressly understood by all parties that Lessor has no rights to or responsibilities of any kind or nature for the cargo, goods or property being transported by Northland Services, Inc. in their normal course of business.

LESSOR:

MANSON CONSTRUCTION &
ENGINEERING CO.

By Glenn A. Ellwood Pres
Title

By _____
Title

Date: 1-9-87

LESSEE:

NORTHLAND SERVICES, INC.

By Bobby L. Shack
Title V.P. Finance Admin

By _____
Title

Date: 1/9/87



CONSTRUCTION & ENGINEERING COMPANY

5209 EAST MARGINAL WAY S. • SEATTLE, WA 98134 • (206) 762-0850
MAILING ADDRESS: P.O. BOX 24067 • SEATTLE, WASHINGTON 98124-0067
CON. REG. NO. 223-01 MA-NS-OC-E373NO • FAX 206-763-1232

July 26, 1991

Mr. Steffen M. Haug, President
Aqua Media
P. O. Box 3428
Seattle, Washington 98114

Reference: Lease at 601 S. Myrtle St.

Dear Steffen:

I'm sure you are already aware, but I did want to formally extend the courtesy of letting you know that this past week Manson has entered into a sublease agreement with Pacific Terminals Limited for property at 601 S. Myrtle St. This agreement basically assigns Manson's rights and obligations for the property to Pacific Terminals Limited, effective retroactively to July 1, 1991.

Your letter to Manson dated May 14, 1991 indicated Aqua Media would be vacating the premises at 601 S. Myrtle St. on or about June 30, 1991, although in our discussion in late June, you indicated Aqua Media may be interested in extending its lease into July. Any Aqua Media lessee obligation for periods after July 1, 1991 would be only to Pacific Terminals Ltd.

We received your certificate of insurance for the period June 30, 1991 to June 30, 1992 which names Manson as additional insured on your general liability policy. Because Manson remains as the primary Lessee with LARCO (property owner), and Pacific Terminals is technically subleasing from Manson, we would appreciate Manson remaining as named additional insured on your policy as long as Aqua Media remains at 601 S. Myrtle St.

As of this writing, our records indicate Aqua Media owes Manson \$25,926.27 in back rent. As we discussed, Aqua Media's present cash constraints have not allowed payment of this past due amount. We look forward to payment as soon as your finances permit.

Steffen, we have appreciated having Aqua Media as a tenant over the years--our ability to work with each other on a hand-shake basis has been a pleasure. We wish you continued success.

Yours very truly,

MANSON CONSTRUCTION & ENGINEERING CO.

Dan Dolmseth
Chief Financial Officer/Treasurer

DD:wag

LONG BEACH OFFICE
1605 Water Street
Long Beach, California 90802
Phone (213) 432-6918
Fax (213) 437-7032
California License # A-220319

SAN FRANCISCO OFFICE
1312 Canal Boulevard
Richmond, California 94804
Phone (415) 232-6319
Fax (415) 232-4528
California License # A-220319

